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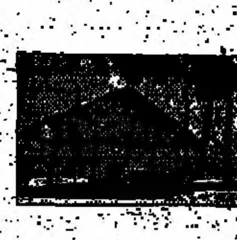

Caribbean tourism
Sunburned by recession
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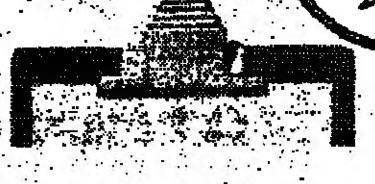

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Saturday's Weekend FT
Around the world with Captain Blyth

FINANCIAL TIMES

Thursday/Friday April 16/17 1992 EUROPE'S BUSINESS NEWSPAPER D 8523A

CIS republics need extra $20bn aid, IMF warns

The former Soviet republics may need $20bn in aid this year, in addition to the $24bn already earmarked for Russia, according to International Monetary Fund managing director Michel Camdessus. Mr Camdessus, who has completed IMF membership negotiations with 14 of the 15 republics, warned that the former Soviet Union would continue to require substantial help for several years. Page 18; Russia sticks to crisis, Page 2

Midland merger: Institutional investors in Midland Bank said they were disturbed by the absence of specific figures on cost savings from the merger with Hongkong and Shanghai Bank. They were also worried about the lack of detail on the £200m ($354m) charge intended to cover takeover costs. Page 19

O&Y reprieve: Holders of an $800m Eurobond issued by Olympia & York indicated they would not yet declare the cash-strapped Canadian property developer in default, despite its failure to make a scheduled interest payment. Page 19

Air France, state-owned airline which recently concluded a partnership deal with Sabena of Belgium, cut losses in 1991 to FFr685m ($122m), against a FFr717m deficit the year before. Page 19

Lloyd Webber sets UK art market record:

Andrew Lloyd Webber, the composer who *threatened to leave* the UK if the Labour party won the general election, celebrated the Conservative victory by paying £10.12m ($18m) at Christie's *for Canaletto's painting* of The Old Horse Guards, London. Page 8

Major sets priorities: John Major, UK prime minister, set housing, education and inner cities as immediate priorities as he continued a wide-ranging ministerial reshuffle. Page 18

Lyonnaise des Eaux-Dumez, French water and construction group, announced an 18 per cent fall in 1991 net profits to FFr1.17bn ($210m) because of a steep rise in provisions on its leisure sector construction interests and on the Channel tunnel. Page 19

Truck sales to recover: Truck sales in western Europe will recover increasing rapidly this year and next, according to the German motor industry association. Page 3

Deere & Co, troubled US construction equipment maker, pulled out of the three-way alliance with Fiat of Italy and Hitachi of Japan. Page 20

Closer ties: China and South Korea are moving closer to establishing diplomatic ties after a visit to Beijing this week by South Korea's foreign minister. Page 4

UN troops ruled out: The UN will not extend peacekeeping operations to Bosnia-Hercegovina where fresh clashes have been reported, Cyrus Vance, the UN special envoy, said. Page 2

West German inflation: West German inflation reached 4.8 per cent last month, higher than originally estimated. Page 3

Bubble bursts: France's champagne growers have blocked in the London High Court the use of their famous name by an Olde English cordial which is marketed as "elderflower champagne". Page 18

Vietnamese constitution: Vietnam's national assembly approved a new constitution enshrining market-oriented reforms. Page 4

Computer joint venture: Europe's leading computer makers – Olivetti, Bull and Siemens-Nixdorf – will co-operate in developing computer networks for public sector bodies in the European Community. Page 3

Blue Circle Industries, UK cement and building products group, suffered sharp falls in demand in the UK and US, and pre-tax profits dropped from £195m ($345m) to £124.2m in 1991. Page 28

Winnie quits post: Winnie Mandela, estranged wife of ANC president Nelson Mandela, resigned her post as head of the ANC's social welfare department. Picture, Page 4

Russian wins memorial prize: Dr Olga Speranskaya, a 29-year-old ecologist from Moscow, has won the first David Thomas Prize, established in memory of the FT journalist who died in Kuwait last April. Picture and details, Page 8

Financial Times: The FT will not be published tomorrow or on Monday, April 20. There will be a paper on Saturday, April 18.

The Markets

STOCK INDICES

FT-SE 100:	2,549.2	(+39.7)
Yield	4.68	
FT-SE Eurotrack 100	1,167.06	(+8.54)
FT-A All Share	1,265.43	(+1.6%)
FT-A World Index	138.01	(+1%)
Nikkei	17,948.81	(+508.43)
New York:		
Dow Jones Ind Ave	3,353.76	(+47.53)
S&P Composite	416.27	(+3.86)

US CLOSING RATES

Federal Funds:	3¾%	(3⅝%)
3-mo Treas Bills: Yld	3.694%	(3.694%)
Long Bond	101⅜	(101½)
Yield	7.875%	(7.882%)

LONDON MONEY

3-mo Interbank	10¾%	(10½%)
Liffe long gilt future:	Jun 99¾	(Jun 99⅞)

NORTH SEA OIL (Argus)

Brent 15-day (June)	$18.525	(−0.325)

Gold

New York Comex Apr	$338	339.5
London	$337.4	339.2

STERLING

New York:		
$	1.755	(1.7635)
London:		
$	1.756	(1.7715)
DM	2.8175	(2.8125)
FFr	9.8725	(9.8675)
SFr	2.665	(2.66)
Y	234.25	(235.25)
£ Index	91.3	(91.8)

DOLLAR

New York:		
DM	1.6025	(1.6547)
FFr	5.522	(5.5895)
SFr	1.5355	(1.5225)
Y	133.495	(133.05)
London:		
DM	1.603	(1.6445)
FFr	5.6225	(5.57)
SFr	1.5345	(1.5125)
Y	133.45	(132.75)
$ Index	64.8	(64.6)

Tokyo close Y 133.25

Austria	Sch30	Hungary	Ft162	Malta	Lm0.60	S.Arabia	SR9.00
Bahrain	Din1.000	Iceland	IKr180	Morocco	MDh11	Singapore	S$4.10
Belgium	BFr60	India	Rs20	Neth	Fl 3.50	Spain	Pta200
Cyprus	C£1.00	Indonesia	Rp3600	Nigeria	Naira26	Sweden	SKr14
Czech	Kcs35	Israel	Shk5.50	Norway	NKr15.00	Switz	SFr3.00
Denmark	DKr14	Italy	L2500	Oman	OR1.20	Thailand	Bht60
Egypt	E£4.00	Jordan	JD1.20	Pakistan	Rs35	Tunisia	Din1.000
Finland	FM10	Korea	Won 2500	Philippines	Pso45	Turkey	L6000
France	FFr8.00	Kuwait	Fils.500	Poland	Zl 18,000	UAE	Dh9.00
Germany	DM3.30	Lebanon	L£1.260	Portugal	Es190		
Greece	Dr250	Lux	LFr60	Qatar	QR10.00		

Watanabe sends tough letters to US and European Community

Japan criticises Gatt delays

By Robert Thomson in Tokyo and David Gardner in Brussels

JAPAN has dispatched unusually tough letters to Washington and Brussels expressing concern that the Uruguay Round of multilateral trade negotiations is stalled because the European Community and US have not fulfilled their obligations.

The Japanese government has become increasingly frustrated by the failure of the EC and US to honour Uruguay Round proposal deadlines under the General Agreement on Tariffs and Trade. This frustration has finally surfaced in the two confidential letters sent by Mr Michio Watanabe, the foreign minister and deputy prime minister.

In the past, Tokyo has preferred to sit on the sidelines while the EC and US argue over agricultural trade and industrial tariffs. The government now believes that the multilateral round has reached a "critical phase" and that Brussels and Washington must act quickly.

Japan has thus joined a growing number of interested parties expressing their disquiet that resolution of the round, which will now miss its Easter deadline, is proving so protracted. More than 100 chief executives worldwide signed a letter published in the Financial Times yesterday. In it they argued that "the continuing stalemate over the trade negotiations has contributed to the deterioration of the economic climate and the postponement of many business initiatives".

In Brussels, ahead of an EC-US summit in Washington next Wednesday, the European Commission moved to dampen hopes of a breakthrough in the five-year-old round.

The meeting is between President George Bush, Mr Jacques Delors, the Commission president, and Mr Anibal Cavaco Silva, prime minister of Portugal, which currently holds the Community presidency. It is widely seen as the last chance to conclude the round this year and give a much-needed boost to world economic growth.

A spokesman for Mr Delors said yesterday that "up to now, nothing indicates that there will be an agreement".

Mr Watanabe, in a letter to Mrs Carla Hills, US trade representative, expressed his disappointment that Washington is seeking many exemptions in services trade negotiations. He also mentioned the failure of the US to meet a deadline last month for the submission of a list of industrial products and suggested tariff reductions.

Japan, one of about 15 countries to meet the deadline, submitted a 450-page document, while the US furnished only a few pages and said that qualitative reductions were still under consideration. The foreign minister lamented that the US had not submitted its list apparently because bilateral negotiations with the EC are yet to be completed. He regretted that the EC was using the same excuse to justify its non-compliance.

A senior Japanese negotiator explained that Mr Watanabe was irritated because the US and EC have the expertise to compile the tariff lists. He believes their failure has set a poor example for developing countries for which the process is far more exacting.

"It is six weeks since the deadline passed and still they have not produced a list. How long are we supposed to wait? What sort of signal does this send to other countries?" the official said.

In a seperate letter to Mr Frans Andriessen, Commission vice-president, Mr Watanabe expressed concern about the absence of detailed industrial tariff proposals. He raised the issue of the seeking by the EC of exemptions to liberalised trade in services, particularly international shipping.

He described the EC shipping proposal as inadequate and said the Community's policy had enabled the US to maintain restrictions. Japan, he said, had offered shipping without any limitations, and unless the EC was flexible, progress in this important area would be threatened.

The foreign minister also criticised EC references to "reciprocity clauses" in services trade, without having made clear what effect they would have on multilateral trade flows. He said the presence of these vague clauses could undermine the success of the services agreement.

For Japan, the most sensitive Uruguay Round issue remains the opening of the rice market. While not making a specific offer, Mr Watanabe hinted that Japan would be prepared to reconsider its policy on rice imports when the EC and US have settled their differences on agriculture.

US steel dumping, Page 7

EC plans over CO_2 emissions at risk

By David Gardner in Brussels

THE European Community's plans to curb "greenhouse gases" have run into difficulties, undermining the anti-global warming strategy which Brussels will take to the United Nations Earth Summit in Rio de Janeiro in June.

Two draft directives to monitor energy use in buildings – which account for an estimated 47 per cent of EC energy consumption – were yesterday blocked at a meeting of senior European Commission officials.

The cause of the hold-up, according to one official, was a new-found reluctance by Brussels to interfere in matters which should properly be handled by member states.

The directives are a critical part of the Commission's commitment to stabilise carbon dioxide emissions at 1990 levels by the end of the century. Any weakening of these conventional means of limiting emissions could force a rethink of the entire strategy, a senior Commission environment official conceded.

The part of the strategy which has drawn most attention, and criticism, is the carbon and energy tax Brussels is poised to put forward next month. The Commission reckons that the EC needs this tax because it could meet only three-fifths of its CO_2 emission reduction target by conventional energy-saving measures.

But while industry is angered by the implications of the tax for competition, it is the conventional part of the strategy that is *starting to unravel fastest of all.*

By the end of last month, for instance, only four of the 12 member states had submitted promised "complementary programmes" to cut CO_2 emissions. Nor are the EC's own energy conservation and renewable energy programmes yet on stream.

Mr Andrew Warren of the European Association for the Conservation of Energy told a Forum Europe global warming seminar for industrialists on Tuesday that "there is no urgency behind these programmes from the Commission. Nor is there sufficient urgency from most member states for

Continued on Page 18
Further Earth Summit reports, Page 6

Libyan flights turned back as embargo begins

By Tony Walker in Cairo and Michael Littlejohns in New York

LIBYA challenged the United Nations air embargo imposed yesterday by proceeding with scheduled flights to destinations in Europe and the Middle East – but its aircraft were turned back.

Egypt, Libya's neighbour, became the first Arab country to enforce the embargo when it informed Tripoli that Egyptian airspace was closed. A foreign ministry official in Cairo said Egypt "respects international legality".

The sanctions, passed on March 31, follow Libya's refusal to hand over two men indicted in the west of planting the bomb which destroyed Pan Am flight 103 over Scotland in 1988. Libya is also required to turn over four men allegedly involved in the bombing of a UTA jet in 1989 over Niger and to take concrete steps to disassociate itself from terrorism.

Libyan Arab Airlines flights were also turned back by Tunisia, Switzerland, which has implemented sanctions despite not being a member of the UN, and Italy – where two Italian airforce jets were scrambled to deter a Libyan Boeing 727 from entering its airspace.

Japan and a series of European countries also said they would expel Libyan diplomats in accordance with the sanctions, with Sweden, Italy and France all saying they would send Libyan officials home. A reduction in Libya's 16-member UN delegation in New York is to be announced soon. The US has no diplomatic links with Tripoli.

However, the UK said that two Libyan envoys in Britain, working from the Saudi Arabian embassy, would remain – at least while two British diplomats remained in Tripoli, where they operate from the Italian embassy.

Jana, the Libyan news agency, said Tripoli had "begun reciprocal measures" against states imposing the UN sanctions. It did not give details, but is likely to start sending home western diplomats in the Libyan capital.

UN Resolution 748 bans the international movement of Libyan Arab Airlines, bars the shipment of arms to Libya and requires a reduction in Libyan diplomatic representation.

Hours after sanctions went into effect the UN Security Council set up a committee to oversee implementation and deal with requests for exemptions.

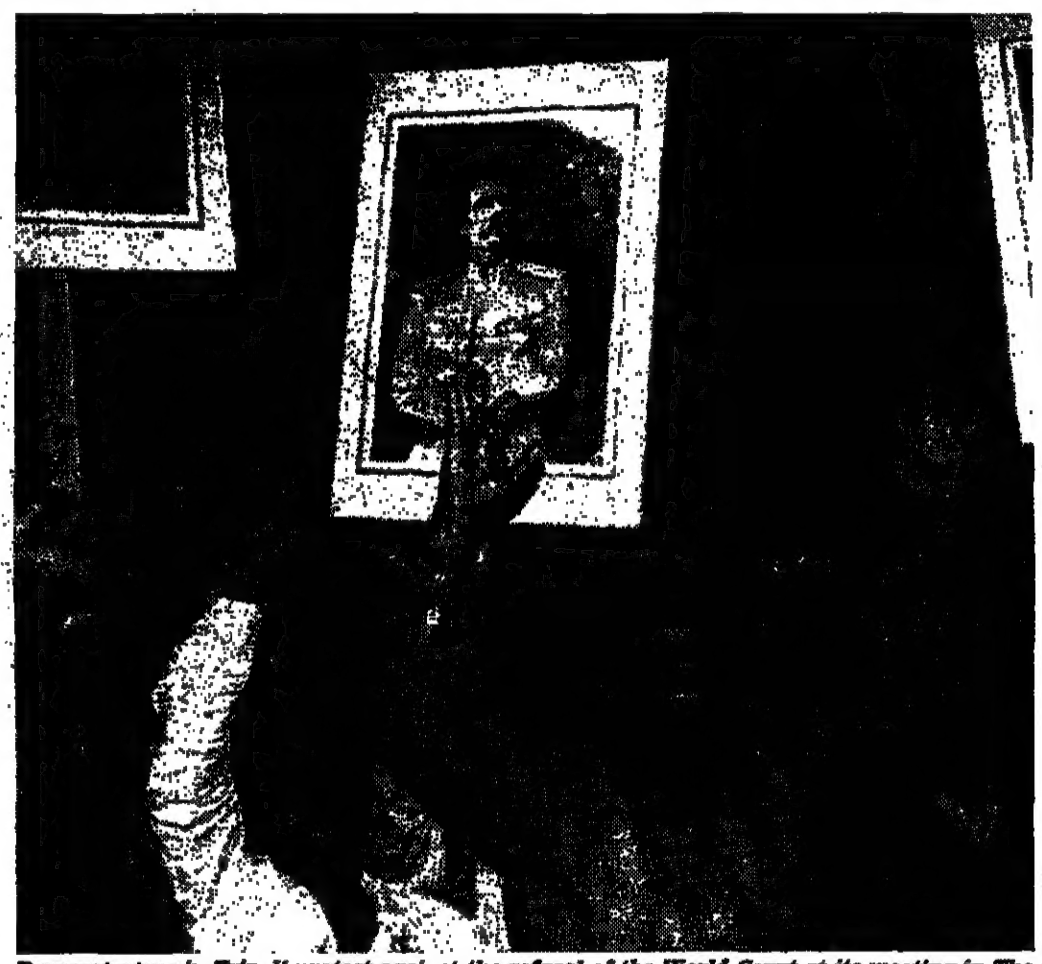
These are expected mainly to allow foreign workers to fly out of the country. Resolution 748 empowers the sanctions committee to allow flights "on grounds of significant humanitarian need".

The UK and US stressed that the sanctions resolution was mandatory and that all member states must comply. "The Council means business," Sir David Hannay, the UK ambassador to the UN, warned, noting that governments have until May 15 to report on measures taken to implement the embargo.

In London, Mr Douglas Hurd, the UK foreign secretary, interviewed by BBC radio, said that continued Libyan intransigence could prompt the US, Britain and France into considering an oil embargo against Tripoli. "That's obviously something that could be considered for the future," he said.

The streets of the Libyan capital were reported calm after demonstrations the night before, but the media maintained its barrage of criticism against the west.

Editorial Comment, Page 16



Demonstrators in Tripoli protest against the refusal of the World Court at its meeting in The Hague to ban United Nations sanctions against Libya

Fed fears for US recovery as industrial growth slows

By Michael Prowse in Washington

THE pace of US industrial growth slowed last month with output rising only 0.2 per cent, compared with a 0.5 per cent gain in February, the Federal Reserve reported yesterday.

The figure was in line with analysts' forecasts and followed other recent evidence of a sluggish economy including a fall in retail sales and flat employment last month.

The Fed said production declined at an annual rate of 4.1 per cent in the first quarter relative to the final quarter of last year, mainly because of a sharp fall in output in January. This was the second successive quarter of industrial contraction.

On an annual comparison, however, industrial production was up 2.1 per cent in March, reflecting a recovery in output last summer.

Most forecasters continue to project a mild economic recovery this year with growth of gross domestic product accelerating to an annual rate of 2-3 per cent, compared with 0.4 per cent at the end of last year.

The Federal Reserve, however, remains anxious about the pace of recovery. Last week it surprised financial markets by signalling a quarter-point cut in short-term interest rates to 3.75 per cent, the first reduction since December. Many analysts anticipate a further modest easing of monetary policy if the economy fails to gather momentum.

Industrial production is expected to advance sluggishly in coming months. This reflects relatively strong growth of demand in the first quarter as a whole and a projected rebuilding of corporate inventories after liquidation of stocks in recent months.

Figures released yesterday showed that the ratio of business inventories to sales continued to fall in February, reflecting stronger than expected demand.

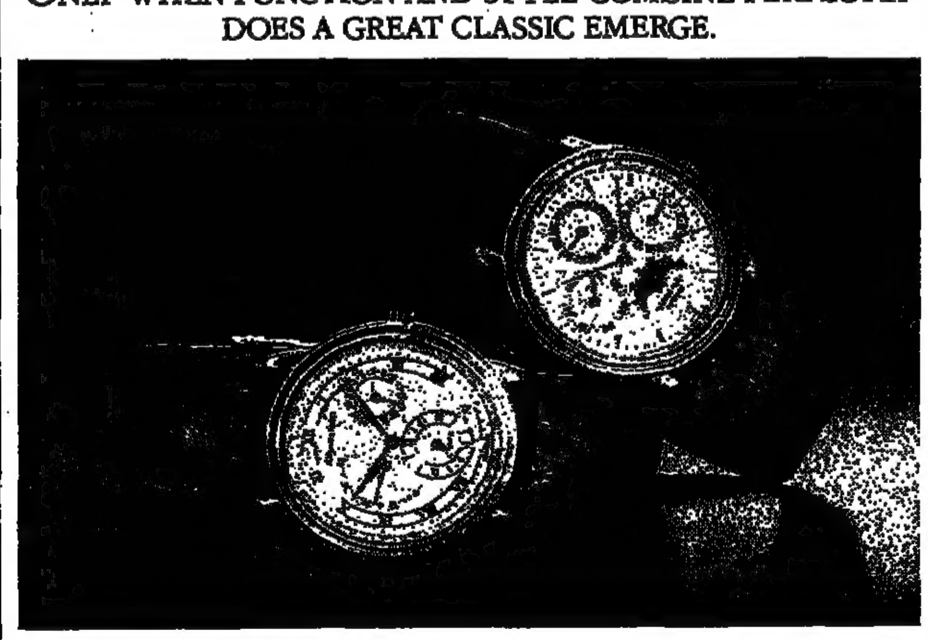
Most industrial sectors were sluggish in March. Manufacturing output edged up 0.1 per cent but capacity utilisation at factories fell 0.1 per cent to 77 per cent. Output of construction supplies fell 0.2 per cent.

Output of non-durable consumer goods rose 0.4 per cent, but this mainly reflected a sharp 2.1 per cent rise in the output of utilities, a reaction after declines due to unseasonably warm weather in January and February.

The strongest sector was durable consumer goods, which rose 0.5 per cent despite a decline in car production.

CONTENTS

ONLY WHEN FUNCTION AND STYLE COMBINE PERFECTLY DOES A GREAT CLASSIC EMERGE.



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US in new bid to end Bosnian conflict

By Laura Silber in Belgrade

THE US yesterday launched a fresh diplomatic effort to end the fighting in Bosnia-Hercegovina, where fighting broke out again despite a ceasefire.

Mr James Baker, the secretary of state, telephoned the foreign ministers of Britain, France, Germany and Portugal, the current president of the European Community, to discuss how to end the fighting.

A State Department spokeswoman described the conduct of the Serbian leadership in Belgrade and Serbian armed forces in Bosnia as "completely outside the bounds of civilised behaviour."

In London Mr Douglas Hurd, the British foreign secretary, said: "It's not acceptable that Yugoslav army or Serb irregulars or indeed Croatian irregulars should intervene and provoke a civil war."

Mr Cyrus Vance, the United Nations special envoy, yesterday said the UN would not extend its peacekeeping operations to Bosnia-Hercegovina.

Mr Vance, who arrived in Belgrade for another round of peace talks, appealed to Bosnian leaders to respect the ceasefire.

"The situation in Bosnia-Hercegovina is very, very serious and is causing us great concern. It is therefore essential that all the parties live up to the ceasefire agreement. War is not the answer. It will be ruinous to all sides and nobody should think that he or she can gain a one-sided advantage."

Mr Vance said the UN did not have enough troops to undertake peace-keeping operations in Bosnia as well as Croatia. Nor is there any UN mandate to operate in Bosnia.

Clashes yesterday were reported in Sarajevo, the capital of Bosnia, in Bosanski Brod, on Bosnia's northern frontier with Croatia, and in Mostar, in the south.

The federal army said it had secured Visegrad, a predominantly Moslem town in south-east Bosnia. The fighting which has left dozens dead and forced 100,000 people to flee.

Russia sticks to crisis rather than chaos

In nine days of stormy debate in the Russian Congress of People's Deputies, the country's post-communist legislators issued a stern warning by passing an uncompromising resolution effectively crippling President Boris Yeltsin's radical economic reforms. However, by yesterday the Congress conservatives had climbed down and adopted a declaration giving Mr Yeltsin and his reformers full support. The loss of billions of dollars in western aid may have helped suppress fears of the further hardships market-orientated reforms may cause. John Lloyd in Moscow analyses the outcome and what the future may hold for Mr Yeltsin's programme

THE CLOSING moments of the current session of the Russian Congress of People's Deputies may produce surprises yet, and it certainly would *be* a surprise if the delegates demonstrated a collective will and capacity to injure the government seriously, so long as that government is supported by President Boris Yeltsin.

This does not mean that no harm has been done.

The cost of the concessions that the president and the government made before and during this parliament has yet to be presented. But it looks high: energy price rises to be postponed, taxes lowered, social security and other benefits raised, industry given Rbs200bn in credits.

The international financial institutions are worried, but western politicians are saying nothing critical while the congress remains in session. Mr Donald Mulford, the US assistant treasury secretary who saw First Deputy Prime Minister Yegor Gaidar on Tuesday, said, and then only reluctantly and *sotto voce*, that the measures "may" have an adverse effect on the budget deficit. Patently, they will.

Now, however, political survival is what counts, and this congress session has shown that Mr Yeltsin remains unchallengeable so far, even though there is a majority of deputies opposed to government policy.

The government's offer of resignation was obviously a tactical ploy but still enough to whip the congress into line.

It dropped its insistence that a new government be presented by May, leaving the government free to pursue what Mr Gaidar said would be "rather tough restrictions" on credits, together with high interest rates.

In one sense, this parliament should have been able to exert its will: it reflects, though it does not represent, the frustrations of a people undergoing real economic miseries and uncertainties, and reflects them because the deputies have some local knowledge of their constituents' sufferings.

However, the deputies cannot fully represent them because they hold their seats on the old system of election, with many essentially nominated by the defunct Communist Party and the institutions such as trade unions which were the party's creatures. They are thus inhibited and ultimately fearful of pressing criticism to the point where they would win and then have to take responsibility for a programme.

The more astute probably know they have no workable plan, nor any competent nominees for a new cabinet.

The parliament was crippled by its contradictions. The deputies most willing to deploy a populist critique of the pro-market reforms were those least able to claim a firm mandate, while the deputies who had come in on a democratic ticket were bound by loyalty to "their" government and president. This leaves much of the electorate disenfranchised: the mass of people have experienced few benefits from reform but still have no credible representatives and cling to Mr Yeltsin as a figure of authority, albeit a harsh one.

Yeltsin: his status has been confirmed rather than enhanced. He has learnt not to confront directly the main political forces below him.

Those who are benefiting – the perhaps 10-20 per cent working in, and growing a bit richer from, the nascent market structures – are effectively the base on which the government rests. It is the familiar posture of post-communist governments: a people on a tightrope over a chasm, performing a balancing act while pointing hopefully to a far bank labelled "normal society" and dismissing the feasibility of walking backwards.

The opposition was further emasculated by the behaviour and personalities of two of the men closest to the presidential seat.

Mr Alexander Rutskoi, the vice-president, said before the Congress that he was not going to repeat his strongly expressed critique of the cabinet, and he kept his word.

Mr Ruslan Khasbulatov, the parliamentary speaker, naturally played a larger role: he has been, *ex officio*, the producer of this drama. No "speaker" in the western sense, he directs barbs from his dais to wherever he wishes, especially at the government, the members of which he called "little boys who get scared," trying by their resignation threat to blackmail parliament. He has dismissed the IMF as both unwanted and unable to deliver the money promised by the Group of Seven. He was "sorry" for the US if it had no better policy than to support Mr Gaidar.

Yet, in the end, he pledged loyalty to Mr Yeltsin because he cannot operate outside the president's circle and thus at best, or worst, can only seek to hobble the government, not destroy it.

Mr Yeltsin has had, in Mr Gaidar, a more determined opponent than he could have thought before the congress. Mr Gaidar's four months in office has seen an extraordinary assumption of political maturity.

In the thick of debate: a deputy speaks out at the Congress in Moscow yesterday

He has grown from being only an academic-cum-journalist into a statesman, from a novice politician who carelessly said he would only be in office a few months to a fighter for his cause.

His first speech to the congress was nervous and defensive. A a few days later, he ripped into the deputies with an aggressive assertion of the foundations of his programme - and won strong applause.

He and his government have gained stature, even as the deputies showed their constitutional weakness and their personal futility.

Mr Yeltsin, absent from the Congress since Saturday in another typical retreat from engagements and visibility, has had his status confirmed rather than enhanced. Like Mr Gorbachev before him, he remains dominant in part because he does not directly oppose any of the main characters or forces below him, even when they are fighting each other.

Thus Mr Khasbulatov's parliamentarians, Mr Rutskoi's supporters in the military-industrial complex and Mr Gaidar's cabinet can all see in him "their" leader.

This has its risks, as Mr Gorbachev's career shows, but Mr Yeltsin does not yet have to struggle with an opponent as determined as he himself was in opposing Mr Gorbachev. And, though many of the Russian Federation's republics and regions are straining for greater autonomy, even independence, they are not yet to be compared with the Baltics or Ukraine.

Little actual *progress* has been made. The main new measure to be put before the congress – a new Russian constitution – has not been tabled and may not be, or, if it is, will be unlikely to secure the required two-thirds majority. The old, Soviet-period constitution remains in force, much amended, and may have to serve for some time.

But the government, and something called reform, remains. Chaos is averted, and Russian society and its government can turn back with relief to mere crisis.

Deputies may lay claim to Crimea

By John Lloyd

THE TENSE relations between Russia and Ukraine, marked by the bitter dispute over control of the former Soviet navy's Black Sea fleet, can be expected to deteriorate today if the Russian parliament goes ahead with a vote to lay formal claim to the Crimea, which is part of Ukraine.

The resolution to be considered by the Congress of People's Deputies seeks to nullify the 1954 decision to transfer the Crimea from Russian to Ukrainian jurisdiction, claiming the move had no legal status because it was never agreed by the Russian parliament and that the people of Crimea were never consulted.

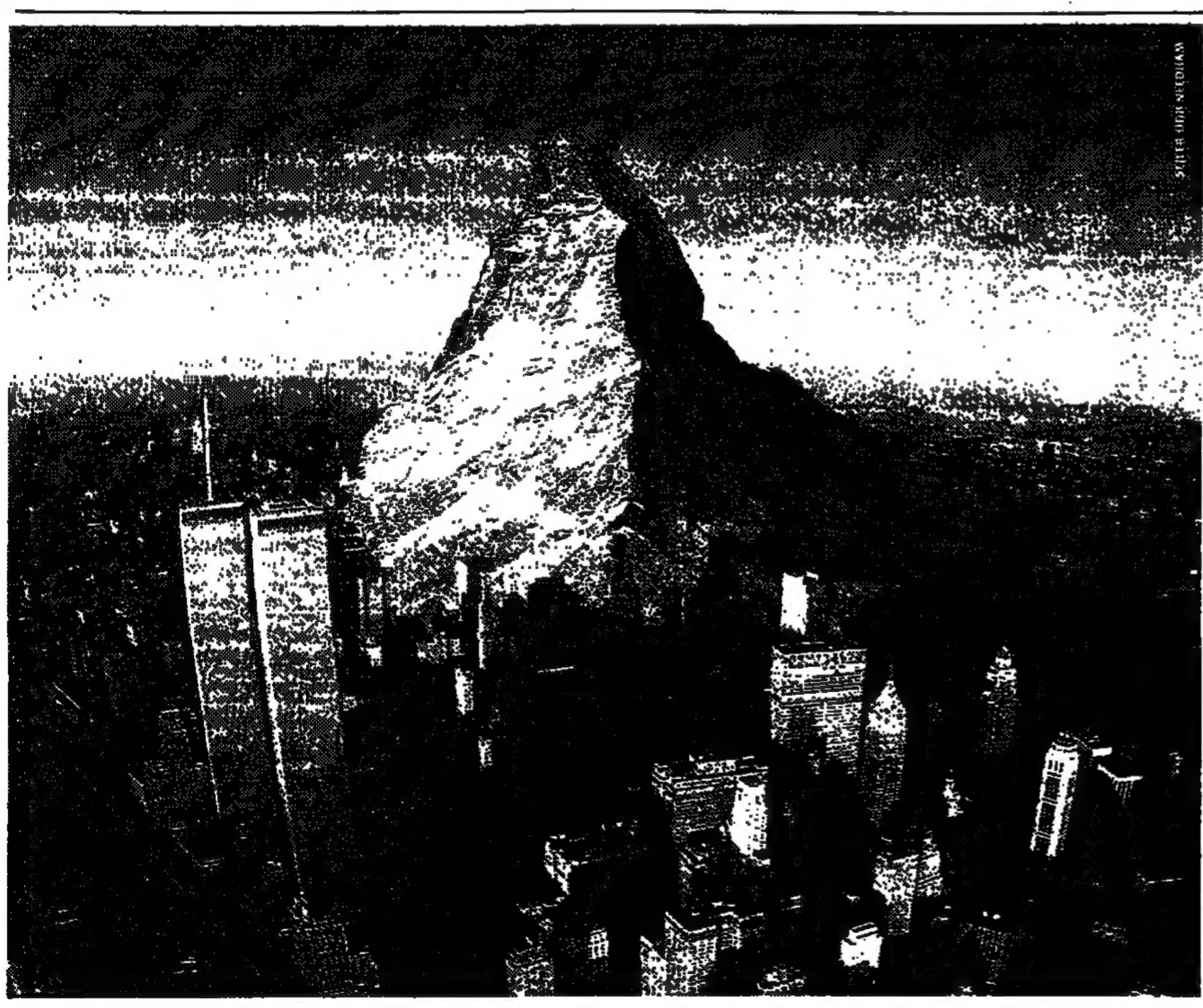
Russia's determination to keep control of the Black Sea fleet, now largely obsolete, is seen by many as mainly governed by the territorial imperative of getting back Crimea.

If voted through, the resolution would add a malign dimension to the relations between the two states. Tension had eased slightly after an agreement for high-level talks on the fate of the Black Sea fleet and Ukraine's apparent reversal of its decision to retain tactical nuclear weapons. The Crimean issue first flared in February when it was brought before parliament by Mr Vladimir Lukin, now Russia's ambassador to Washington.

A key passage of the resolution says: "The Russian parliament believes that the restoration of historic justice is in the interests of all parties, promotes peace and accord and hopes that the sovereign Ukraine will demonstrate a similar approach."

Georgia Nato link

NATO formally admitted Georgia to a "co-operation council" linking the alliance with its former Cold War opponents yesterday, bringing the republic into line with all the other states in the former Soviet Union, Reuter reports from Brussels



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COMMERCIAL AVIATION AND AEROSPACE

– Opportunities for East-West Co-operation and Collaboration

Berlin, 11 & 12 June 1992

Following the reunification of Germany and the emergence of the new Commonwealth of Independent States in the former Soviet Union, major new opportunities for co-operation and collaboration between Western and Eastern aerospace and airline industries are emerging.

Timed to immediately precede the ILA '92 at Berlin Brandenburg, this FT conference will review the challenges and the opportunities that the new environment offers. The international panel of speakers will include:

Mr Vitaly Yefimov
Minister of Transport of the Russian Federation

Mr Anatoly Bratukhin
Ministry of Industry of the Russian Federation

Mr Lawrence W Clarkson
The Boeing Company

Mr David Hinson
Douglas Aircraft Company

Mr Pierre-Yves Divisia
European Bank for Reconstruction and Development

Mr Aleksandr Larin
Department of Air Transport of the Russian Federation

Mr Jürgen Weber
Deutsche Lufthansa AG

Professor Aleksandr Isayev
Research Institute of Economics, Planning and Management, Moscow

Dr Martin Bangemann
Commission of the European Communities

Mr Karl J Dersch
BDLI – Council

Mr Albert Schneider
BMW Rolls-Royce GmbH

Mr Adam Brown
Airbus Industrie

Mr Erik Jan Nederkoorn
Fokker NV

Mr Yves Michot
Aerospatiale

Sir Colin Marshall
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Truck sales on fast road to recovery

By Andrew Fisher in Frankfurt

TRUCK SALES in western Europe will recover at an increasing pace this year and next, following the decline in 1991, according to the German motor industry association (VDA). It expects especially sharp improvements in Britain, Sweden, and Spain.

However, the German market, which has been given a considerable lift from unification of the country, will see a slowdown, the VDA adds. German producers will have to renew their efforts in foreign markets as a result, says Mr Kunibert Schmidt, the VDA's deputy managing director. Competition will continue to be intense and German manufacturers will have to work harder to offset their country's disadvantage as an industrial location, especially on costs.

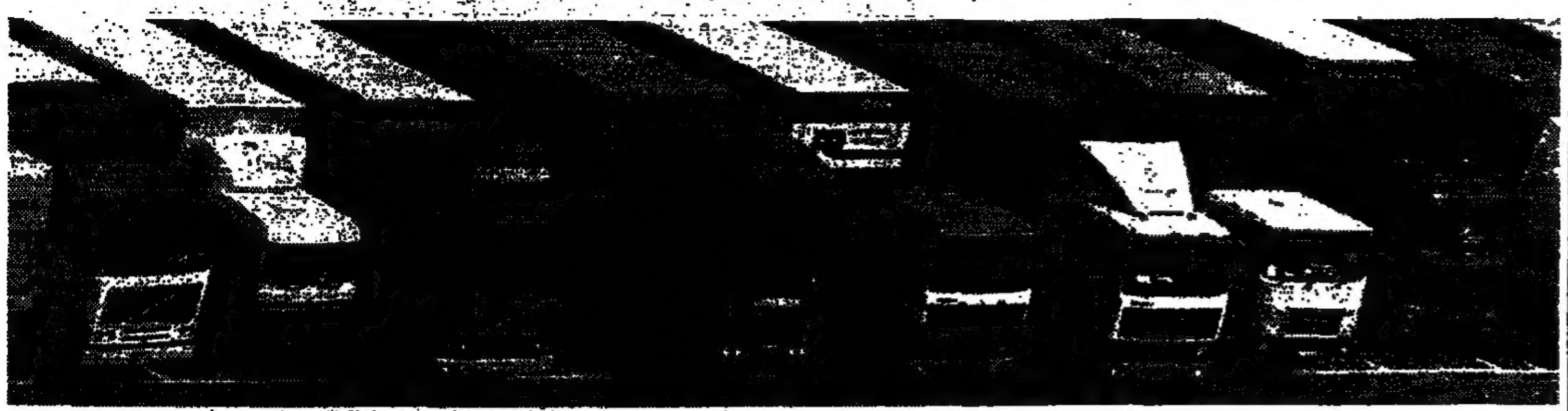
The VDA forecasts that the total west European truck market will rise by 1 per cent this year and 4 per cent next, after a 6 per cent drop in 1991. Excluding Germany, it expects sales in western Europe to rise 3 per cent and 6 per cent respectively compared with a 14 per cent decline in 1991.

The German market, which jumped by 48 per cent last year, is expected to fall by 6 per cent in each of the next two years. By contrast, the similarly sized French market should move up by 2 per cent in 1992 and 5 per cent in 1993 after falling by 12 per cent in 1991.

A marked upturn is forecast in the UK, with last year's slump of 29 per cent followed by a rise of 8 per cent this year and one of 11 per cent in 1993.

In Sweden, which suffered a 36 per cent collapse in 1991, the market is likely to fall a further 14 per cent this year before climbing by 28 per cent in 1993.

Mr Schmidt says German truck production has continued to develop strongly, with a rise of 11 per cent in the first quarter of this year. Total output in 1991 was 12.5 per cent higher at 355,500 units.



LOADS OF LORRIES: A new survey by Germany's motor industry association forecasts particularly sharp improvements in Britain, Sweden and Spain

Computer makers in joint project

By Haig Simonian in Milan

EUROPE'S three leading computer makers – Olivetti, Bull and Siemens-Nixdorf – have agreed to co-operate in developing large computer networks for public sector bodies in the European Community.

The three companies have set up Trans European Information Systems (TEIS) as a first step towards developing projects for compatible information systems in Europe based on common system and software applications.

The aim of the TEIS venture is to enable the three companies to offer compatible solutions to European public sector agencies.

These agencies will have to work increasingly closely together with the coming of a single market and steps towards political union.

The potential users include government ministries and agencies responsible for cross-border issues such as immigration, health and social security, or environmental monitoring.

The three companies have set up research laboratories at Pozzuoli near Naples, as well as in Munich and Paris. The Naples unit will check whether hardware and software from the three companies is inter-operable.

Mr Elserino Piol, Olivetti's deputy chairman, said: "The creation of this consortium represents a joint effort which could raise the competitiveness of the European information industry."

Turkish fears grow on foreign business influx

By John Murrray Brown in Ankara

THE GROWING openness of Turkey's economy to foreign companies has come in for sharp criticism from domestic businessmen worried about increased competition.

The opening tomorrow of a new $70m cement plant by Société Ciments Français (SCF) highlights how opposition to greater foreign involvement has shifted from politicians to the business community.

It was politicians who resisted French entry into the cement market. In 1990, Mr Suleyman Demirel, now Turkey's prime minister, filed a suit to have SCF's purchase of five state cement companies declared illegal on the grounds the assets had not been offered to local investors. But he will open the SCF plant tomorrow.

Some industrialists are urging the government to freeze privatisation plans in the face of growing foreign interest. "Turkish business is not yet strong enough to purchase these state companies," says Mr Can Kirac, former chairman of Koc Holding, Turkey's largest trading company.

Mr Demirel is under pressure to give a clear signal on the controversy about foreign ownership, especially as it is planning to sell a further 11 cement companies in a deal expected to raise TL 2,500bn (£227m).

French companies now account for a quarter of Turkish cement production of around 24m tonnes a year which is growing at an annual rate of some 10 per cent. Lafarge Coppee, the world's second largest cement company, and Société Vicat have also entered the market.

The arrival of the French has sparked fierce competition. Last month, two Turkish-owned factories in the Aegean region launched an attempt to try and break into the Istanbul cement market, shipping cement at prices 40 per cent below market levels.

The basic investment strategy of most foreign groups is to expand market share in what is seen as a key regional base for the Middle East and the southern republics of the former Soviet Union. But there has been local concern that in so doing the foreign companies are creating new cartels.

"While trying to destroy one monopoly the government is creating another one," says Mr Yazar Zeytinoglu, chairman of a large conglomerate.

Industries other than cement have also come under increased scrutiny. In the bottled gas sector, for example, foreign groups, including Mobil of the US, already control 34 per cent of the market.

The British foreign secretary, Mr Douglas Hurd, will visit Turkey and probably Greece next week, Reuter reports from London. Diplomats said Britain and the US viewed Turkey as an increasingly important country in the region. Mr Hurd will discuss the situation in Iraq, Turkey's possible membership of the European Community, the Cyprus issue and Turkey's defence role in Europe.

Finland sees first signs of economic recovery

By Sara Webb in Stockholm

THE worst of the Finnish recession may be over, helped by a pick-up in timber and engineering exports, according to the Confederation of Finnish Industries (CFI) yesterday.

The quarterly survey of 580 companies reports an increase in new orders and says export orders are expected to increase further in the spring.

The survey contains the first signs of optimism among industrialists over the economy. Last year, Finland's GDP declined 6.1 per cent, and the government was forced recently to produce an emergency economic package to avert devaluation.

Exports to Germany and to east Asian markets increased in the first quarter. Both forestry and engineering, traditionally two of Finland's most important sectors, are expected to show a further recovery in exports in coming months.

However, the CFI warns that construction and textiles sectors expect new orders to continue to decline.

Industrial production during the first quarter was slightly better than expected although still below last year. Expectations for the next six months are still "extremely conservative," although the survey predicts an increase in industrial production in the second quarter, partly due to seasonal factors.

Although 84 per cent of companies report idle capacity, the CFI says this is slightly better than last year. Capacity utilisation improved a little in March, especially in forestry and engineering.

The CFI says industrial investment continues to decline, with the biggest falls in the building industry. However, it predicts that the fall in investment will be halted within a year, but will remain at a low level.

New rate matches level of pay offer to public sector workers

W German inflation revised upward

By Andrew Fisher in Frankfurt

WEST GERMANY'S inflation rate proved higher than first estimated last month. Announcement yesterday of a 4.8 per cent annual rate came as public sector workers considered whether to strike over a pay offer of exactly the same size.

The new figure compares with the provisional 4.7 per cent earlier reported for March by the federal statistics office based on returns from four states.

The steady rise in German inflation above 4 per cent has prompted the Bundesbank to lift official interest rates to record post-war levels, with the central bank also concerned over the rapid increase in money supply.

Mr Otmar Issing, a Bundesbank director, said recently that although inflation would fall well below 4 per cent by the year's end, it was unfortunate in view of wage talks that it would remain above this level for a while.

The public sector unions have called strike ballots after turning down a 4.8 per cent package.

Mr Issing said it was too early to tell when the higher interest rates would brake money supply growth, indicating that they would not be cut for some time.

"It's like a big tanker," he said of the money supply expansion. "If it's on the wrong course, it takes time to correct this."

● West Germany's trade surplus totalled DM1.6bn ($970m) in February against DM412m in January and DM2.1bn in February, 1991, the statistics office said.

Figures for the whole of Germany, already reported, showed a February surplus of DM2.2bn, up from DM45m in January.

Companies adjust for single market

By Christopher Parkes in Bonn

ALMOST half the companies in Germany have taken action to improve their ability to compete in the single European market, due to be introduced at the turn of the year, according to a survey.

They are "self-confident and well-equipped", the DIHT chamber of trade and industry reported yesterday. "The great majority do not expect any damage to their competitive position."

An analysis of a survey covering 15,006 businesses, published yesterday, said most had prepared strategic plans, incorporating several measures, to enhance their position. The most popular steps were investment and rationalisation of existing plant, product innovation and improved marketing. Some 17 per cent had prepared new products.

Setting up abroad had been an option or a priority for relatively few, the report said. However, 8 per cent had already invested outside Germany specifically to prepare for the single market, compared with the 5 per cent which had said they planned such moves in a similar poll three years ago.

Investment targets have also changed. Attention, particularly among high-technology and automotive manufacturers in the south of Germany, has switched from Spain, Portugal and Italy to low-cost countries such as Czechoslovakia.

Despite the optimism, however, many employers recognised they would face increased price competition from other EC companies, and felt disadvantaged by Germany's high wage costs, company taxation and the burdens of meeting the country's strict environmental standards.

● Wage costs in east Germany last year soared to 31 per cent of companies' sales, compared with 20 per cent in the west, the IW economics institute, Cologne, said yesterday.

NEWS IN BRIEF

Amsterdam ready to plan car traffic curbs

AMSTERDAM'S city council voted last night by a large majority to begin drawing up a plan to reduce car traffic gradually in the city centre, bowing to pressure generated by a controversial referendum held last month, writes Ronald van de Krol.

The 45-member council approved a motion calling for action that will go some way towards satisfying voters who, by a slim majority, supported a radical cut in the volume of traffic. Opponents of deep cuts had argued against heeding the results of the non-binding referendum, saying the low voter turnout of just 27 per cent had nullified the results, which showed 52.9 per cent in favour of a drastic curtailment.

The traffic proposals, to be drawn up over the next few months, are likely to fall well short of the referendum's call for a halving of the 28,000 available parking spaces in the long term and introduction of a system of regulating car access to the congested centre. Proposals are expected to include the introduction of new "ride-sharing" taxis, the allocation of sites for new parking garages, and a greater emphasis on bicycle paths and pedestrian zones, as well as reductions in parking spaces.

Sweden cuts tax to help industry

Sweden announced yesterday it plans to scrap the general energy tax on industry and lower its value added tax by 3 percentage points from 25 per cent to 22 per cent, AP-DJ reports from Stockholm. The centre-right coalition government will also abolish a tax on commercial property, starting next year, as a way of stabilising market prices. The proposals are part of a plan to reduce taxes by a net Kr2bn (£190m). The government said the lower energy tax would give companies an added Kr3bn.

Attack on EC advertising rules

European publishers are planning a second advertising campaign against what they see as threats to freedom of the press posed by proposed directives from the European Commission, writes Raymond Snoddy. They are concerned about a whole range of possible restrictions on advertising such items as rtobacco, alcohol and pharmaceuticals.

French keen to avoid own cooking

The French dine out about three times a week and spend almost 20 per cent of their food budget in restaurants and canteens, according to a study of the country's eating habits, Reuter reports from Paris. The national statistics institute said that in 1969 the French, on average, had 1.9 meals outside their homes each week. Now that figure has risen to 2.8.

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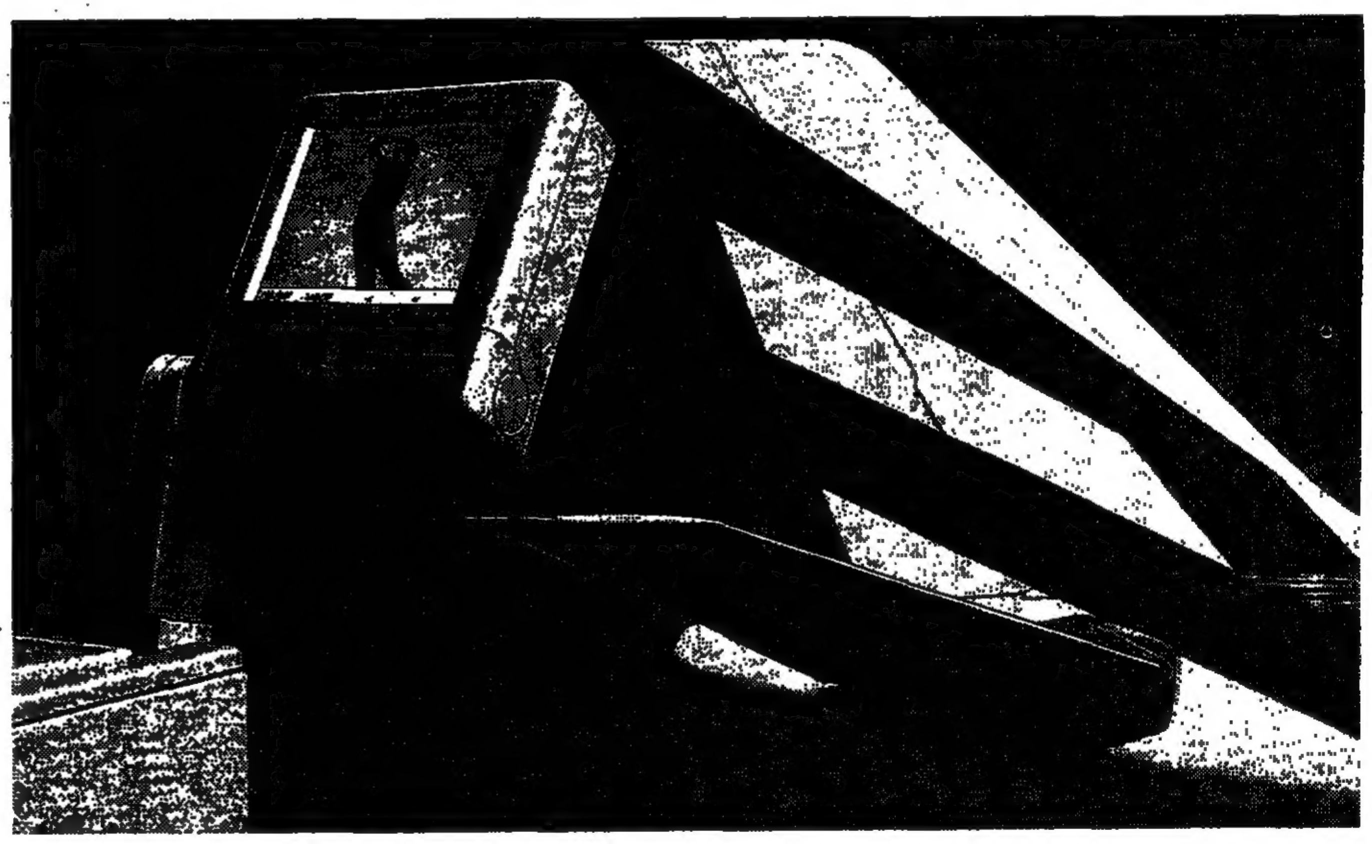

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AIRLINE OF THE YEAR AWARD

Emirates

Rao brings Congress party into line

By David Housego in Tirupati

THE STRIKING fact to emerge from the landmark Congress party convention being held in the Hindu pilgrim town of Tirupati is the dominance the prime minister, Mr Narasimha Rao, has now established over his party.

Widely regarded as an aged, interim leader when he took over last June, this plenary session of the Congress is demonstrating that he faces no internal challenges to his authority.

"The net result (of this meeting) is that the prime minister will be stronger," said one minister yesterday. The government is thus expected to move more rapidly in implementing controversial reforms to restructure the state-owned banking system and towards providing industry with more leeway in declaring redundancies.

Ministers and senior party officials claimed that one reason for the apparent slowdown in the pace of reforms since the February budget was the fear of provoking a grassroots backlash at the current Congress session.

These fears resulted in a catch-all economic resolution being put before the All India Congress Committee (AICC) meeting that embraced all points of view in the party from socialism and central planning to pro-market policies.

But party officials said yesterday that the resolution should be regarded as a mandate for change. "The significance of the resolution is its endorsement of the new policies," said Mr V N Gadgil, a party spokesman heading the drafting committee on economic policy. "The prime minister's position will also be strengthened."

The party has also endorsed the government's stand against signing the Nuclear Non-Proliferation Treaty saying it was biased against countries that did not have atomic weapons. The Congress party favoured a "non-discriminatory nuclear non-proliferation treaty", but did not spell that out.

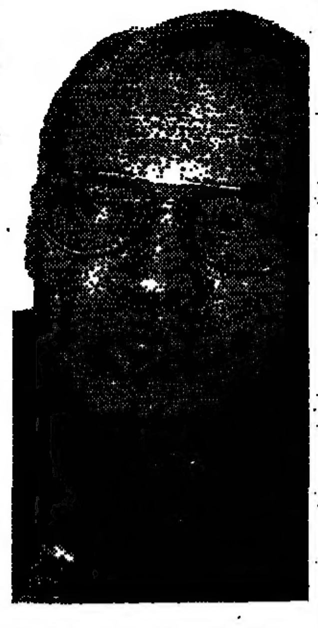
The convention has given Mr Rao his first opportunity to face the massed Congress ranks as prime minister. In choosing to hold the meeting in his own southern state of Andhra Pradesh, Mr Rao's aim was to demonstrate that he was boss and that the south now counts for more in Congress counsels.

As a leader, he fails to excite the crowds as the Gandhi family knew how to. By the rowdy standards of Congress occasions this has been a low-key affair, with delegates paying little attention to the debates. But with his quiet, elder statesman style, Mr Rao impressively demonstrated his authority when he intervened to quell minor disturbances in the hall yesterday.

He has restored the party's self confidence after the demoralisation that followed both Rajiv Gandhi's assassination and the loss in the June election of their traditional bastion of power in the Hindi-speaking north. Mr Rao is seen to have steered the party through the pitfalls of recent months – from the collapse of international confidence in India's economic management to the threat of separatist movements on its borders.

His hesitant, scholarly approach does not arouse enthusiasm within the party. But as one delegate put it yesterday: "He is mildly liked by all and few criticise him."

The issue that has most agitated delegates is the holding of elections for the 21-man committee that runs the party. As the new party president, Mr Rao wants to allow competition for places for the first in 20 years. The elections mark the difference of style with Rajiv Gandhi and his mother Indira, who themselves appointed the committee.



Rao: impressive authority

Independent win upsets main groupings

Australia's big parties ponder voter backlash

The recent by-election victory by a protectionist independent candidate reflects growing concern over reduced tariff protection and industrial deregulation, writes Kevin Brown

AUSTRALIA'S mainstream political parties are facing up to some uncomfortable questions following the unexpected victory of an independent protectionist candidate in a weekend *by-election*.

Mr Phil Cleary, a local sporting hero, took 34 per cent of first preference votes in the inner-Melbourne seat of Wills to become only the second independent MP in Australia's federal parliament.

Mr Cleary's victory was a severe embarrassment to the governing Labor Party, which called the by-election following the resignation from parliament of Mr Bob Hawke, the former prime minister.

It also dashed hopes of an electoral breakthrough by the conservative Liberal/National Party coalition, which failed to take advantage of Australia's worst recession since 1983.

Like many by-elections, the result was affected by local factors which make it an unreliable guide to the outcome of the next general election, due by mid-1993.

Both main political groupings chose inarticulate candidates who were unable to overcome Mr Cleary's high profile as the successful coach of the local Australian Rules football club.

However, Mr Cleary's victory reflected opposition to the government's attempts to increase the efficiency of the economy by reducing tariff protection and winding back industrial regulation.

Under a programme drafted by Mr Paul Keating, who replaced Mr Hawke as prime minister in December, average effective tariffs for most industries will be cut to 5 per cent by the year 2000, from more than 20 per cent in 1983.

The government has also tried to improve the efficiency of investment allocation by deregulating the financial sector, floating the Australian dollar and reforming the labour market.

The argument that high tariffs protect inefficient industries at the expense of the efficient mining and rural sectors has become economic orthodoxy in the federal leadership of all three main parties.

But it has never been accepted in Victoria, the heartland of Australian manufacturing, where both the Labor state government and the Liberal opposition remain wedded to protection.

As a result, Labor found it difficult to respond to Mr Cleary's claims that tariff reductions have closed factories and put 11.6 per cent of Victorians out of work, compared to a national average of 10.5 per cent.

The government was also reluctant to accept the alternative explanation that high unemployment has been caused largely by 18 months of flat or negative economic growth triggered by tight monetary policy. Some leading members of the government, mostly left wingers from Victoria, see the by-election as a warning to Labor not to risk moving too quickly away from the party's protectionist roots.

Mr Gerry Hand, the immigration minister, was the most outspoken of several who suggested the government should reconsider its economic reform programme in the light of Mr Cleary's victory.

A slowdown in tariff reform is unlikely because it would embarrass Mr Keating, the chief supporter of free trade, and lay the government open to opposition charges of inconsistency.

However, the left is likely to use the by-election result to reopen an earlier debate on whether the government should try to offset the impact of tariff reform by supporting successful industries.

This approach, championed by Mr Simon Crean, the primary industries minister, would offer limited government assistance to industries believed to have a competitive future, such as food processing for export to Asia. The idea has widespread support within the federal Labor Party, but is opposed by the prime minister, who fears it would quickly degenerate into a means of delivering disguised subsidies.

Mr Keating also indicated in a private speech to Labor MPs that he believes the government can win the 1993 election without a potentially damaging change of policy. His view is that the Wills by-election came too early to allow Labor to benefit from signs of economic recovery over the last six months, which he believes will be reinforced by a A$2.3bn (£1bn) public spending stimulus announced last month.

National opinion polls show a steady drift to Labor since Mr Keating took over from Mr Hawke. The government trailed the opposition coalition by only 5 percentage points in the latest opinion poll published on Tuesday compared with 18 points in January.

Labor can also take comfort from the opposition's failure to win Wills, which has stimulated a parallel debate over the coalition's commitment to a comprehensive package of tariff cuts, tax reforms and labour market changes.

Mr John Hewson, the coalition leader, has faced calls for changes to the package from state leaders in Victoria and Queensland, and criticism of his leadership from Mr Malcolm Fraser, a former Liberal prime minister. Mr Hewson, who became leader after the 1990 general election, has rejected Mr Fraser's criticism and called a hasty meeting of federal and state leaders to thrash out a fresh approach to selling the opposition package.

However, the coalition's failure in its first big test under his leadership does not augur well for its hopes of ending a decade in the political wilderness.

South Korea and China close to diplomatic links

By Yvonne Preston in Beijing

CHINA and South Korea are *moving closer to establishing* diplomatic relations after a visit to Beijing this week of Mr Lee Sang-ock, the South Korean foreign minister.

Mr Lee is attending a United Nations gathering on economic development in Asia, but the issue of normalisation between the two countries is expected to be prominent in discussions with Qian Qichen, his Chinese counterpart.

Economic ties between the two countries have been rapidly expanding, with South Korea's recent approval for the Bank of China to establish a branch in Seoul a measure of the growth since the opening of trade offices in both capitals.

The volume of trade between China and South Korea totalled $5.7bn last year when each granted the other most-favoured-nation trade status.

Political differences have kept them apart. China has backed the North since partition of the peninsular after the second world war and the US has been patron to South Korea through the cold war decades.

North Korea is certain to be unhappy about the prospect of political ties between its former "closer than lips and teeth" ally, China, and its bitter political and ideological enemy.

The South Korean foreign minister is attending the 48th session of the Economic and Social Commission for Asia and the Pacific (ESCAP), which opened in Beijing yesterday with a speech from Chinese Premier Li Peng.

The meeting is the first UN major forum to be hosted by China in four decades.

Li Peng told the 700 delegates to ESCAP, originally called the Economic Commission for Asia and the Far East when it was founded in Shanghai in 1947, that it had returned to its original home.

Palestinian team seen on Arafat visit

By Tony Walker in Cairo

PALESTINIAN delegates to the Middle East peace conference were seen entering a Cairo guest house yesterday where Mr Yassir Arafat was staying in defiance of an Israel law that bars direct contact between Palestinians under occupation and the PLO.

Later Mrs Hanan Ashrawi, the Palestinian spokeswoman, came very close to admitting openly that she had met Mr Arafat who arrived in Cairo yesterday for a medical check after a plane crash last week.

"If it is illegal or a crime to pursue a humanitarian commitment towards a fellow Palestinian who has been subjected to a very serious and dramatic accident...then I think there something seriously wrong with world perception and Israeli perception," she said.

NZ inflation falls

New Zealand's inflation fell to 0.8 per cent in the year to March 31, the lowest figure since September 1960, Terry Hall reports from Wellington.

Burma arms call

The European Community called yesterday for a worldwide ban on arms sales to Burma to press Rangoon into halting action against Burmese Moslems and Karen separatists, Reuter reports from Lisbon. EC member states stopped sales of military equipment to Burma last July.

Afghan plan threat

The UN-backed peace process for Afghanistan is threatened by a fresh outbreak of fighting, western diplomats and officials said yesterday, Farhan Bokhari reports from Islamabad.

Hyundai arrests

Two former executives of the Hyundai group's shipping subsidiary have been arrested for alleged involvement in tax evasion, a Seoul prosecutor said yesterday, Reuter reports.

Vietnam's new constitution recognises free enterprise

By Victor Mallet in Hanoi

VIETNAM'S national assembly yesterday approved a new constitution which enshrines the market-oriented economic reforms undertaken since the late 1980s.

In the best communist tradition, the vote was reported by the state media to have been unanimous, although hardline deputies wary of capitalism fought a stiff rearguard action over the last three weeks and delayed the final vote for several days.

The new constitution drops the dogmatic left-wing language of the 1980 version it replaces and explicitly recognises the right of citizens to engage in private business. The exact wording of the text was not known last night, but the latest public drafts contain guarantees against nationalisation and grant the Vietnamese the constitutional right to travel freely; for the time being, however, they still need exit visas to leave the country.

The national assembly gains increased powers but the Communist Party retains responsibility for guiding the state and "leading the workers... according to Marxism-Leninism and the thought of Ho Chi Minh (the late Vietnamese communist leader)."

Even the party is expected to act in accordance with the law and the constitution. "Sometimes the party interferes, sometimes there's a phone call from up above," said Mrs Ngo Ba Tanh, the reformist who chairs the law commission of the national assembly.

Outright private ownership of property is still not recognised but farmers have the right to transfer their land to their heirs. Vietnam has attracted intense interest from foreign investors in the past three years but a US economic embargo remains an obstacle to more rapid growth.

Mrs Winnie Mandela, the estranged wife of African National Congress (ANC) president Nelson Mandela, pictured above yesterday, resigned her post as head of the ANC's social welfare department, Patti Waldmeir reports. Mrs Mandela protested her innocence of kidnapping and being an accessory to the assault of four boys at her Soweto home which severely embarrassed the ANC. She did not say whether she intended to relinquish her position on the policy-making national executive of the ANC, to which she was elected last year.

G7 partners may urge Japan to boost economy

By Peter Norman, Economics Correspondent

JAPAN MAY be urged by its trading partners among the Group of Seven leading industrial countries to consider further fiscal stimulus to boost its economy when G7 finance ministers and central bank governors meet in Washington later this month.

European monetary officials said that Japan was the only big industrial country in a position to boost its economy and so help world growth. The US, which is likely to be the G7 nation keenest on promoting expansionary policies abroad, recognises that the European members of the group have little scope for action.

If it chose fiscal expansion, Japan could reduce the risk of downward pressure on the yen that would arise from a further relaxation of monetary policy, officials added. They said there were indications that Japan might give its economy a fiscal boost by bringing spending from the second half of the year forward to the first half.

It emerged yesterday that the recent weakness of the Tokyo stock market has caused considerable concern among officials from other industrialised countries. But in a series of recent gatherings that included last weekend's meeting of Working Party Three of the Organisation for Economic Co-operation and Development (OECD) and this week's regular central bankers' meeting at the Bank for International Settlements in Basle, Japan assured its trading partners that the stock market problems were containable.

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THE ROSE DEBENTURE

Zimbabwe economy under siege

Independence celebrations will be low-key, writes Tony Hawkins

ZIMBABWEANS will mark the 12th anniversary of independence on Saturday against a background of food shortages, rapid inflation and increasingly serious economic crisis.

The official celebration will be a low-key affair with the government having wisely decided to limit ostentatious public spending at a time of mounting food shortages caused by the worst drought in living memory.

Try though it may to blame events outside its control for the visible deterioration in the country, President Robert Mugabe's government has become the target of unprecedented public criticism.

Even the normally obsequious state-controlled media has sharpened its tone and industry minister Kumbirai Kangai was given a rough ride by questioners on a recent TV programme wanting to know why the government had not anticipated the food crisis.

Agriculture minister Witness Mangwende was a target of bitter *criticism* in parliament from his own backbenchers, deriding his earlier statement that maize imports would not be required.

Current estimates suggest that with the near total failure of the maize crop Zimbabwe will have to import at least 1.7m tonnes of maize along with 300,000 tonnes of sugar and wheat.

Mr Mugabe was forced to send his transport minister, Mr Denis Norman, to Cape Town earlier this month to speed South African deliveries of food imports.

The first maize trains left the port of Durban this week and while Spoornet, the South African railways, is confident of getting the food to the border at Beit Bridge, there are question marks over the capacity of the Zimbabwean, Zambian, Malawian and Mozambican transport systems to cope with food distribution.

Even before the drought Mr Mugabe's ruling Zanu-PF party was in trouble. Its popularity ebbed at the end of the 1980s as unemployment rose five-fold to 1.5m, and as the government was forced to backtrack on promises to resettle 162,000 families, provide free schooling and better housing.

At the end of 1990, Mr Mugabe officially abandoned his commitment to socialism and with considerable misgivings agreed to a World Bank-designed structural adjustment programme, funded by western donors to the tune of $1.5bn (£852m).

Implementation has been fitful and unco-ordinated, inflation surged above 30 per cent in February with low income groups experiencing 37 per cent inflation.

The familiar pain without gain syndrome is now compounded by drought. GDP is forecast to fall five per cent this year while the current account payments deficit will reach 20 per cent of GDP.

Even if good rains fall next summer, it will take at least until 1994 to regain current living standards. By then, the president will be close to his 70th birthday and facing a general election in 1995.

So unpopular is Mr Mugabe's government today that few analysts believe it can win a fourth victory at the polls.

Until a few months ago, its supporters believed that economic reform coupled with the land acquisition bill which will provide up to five million hectares of white-owned land for black resettlement schemes could tip the scales in their favour in 1995.

Mugabe: unprecedented public criticism

But the drought has put paid to all that and it is now a question of whether the government – under its present leadership – will last until the next election or whether Mr Mugabe, like Mrs Thatcher and Mr Bob Hawke, will be replaced.

However, the president can take comfort from the fact that there is no viable political opposition nor an obvious and acceptable successor within Zanu. But he has very little else to celebrate this weekend.

Bougainville rebels murder negotiator

By Kevin Brown in Sydney

HOPES of a peace settlement on the copper-rich island of Bougainville evaporated yesterday after the Papua New Guinea (PNG) government said a leading negotiator and seven other men had been executed by the outlawed Bougainville Revolutionary Army (BRA).

Bougainville has been in turmoil since the BRA attacked PNG officials and partially destroyed the Australian-run Panguna copper mine two years ago as part of a drive for independence from the former Australian colony.

Hundreds of Bougainvilleans are believed to have died in fighting between the BRA and PNG troops. Others are said to have died of disease when the government blockaded the island for several months, cutting off supplies of food and medical supplies.

Mr Rabbie Namaliu, the prime minister, said the government was "shocked and horrified" by the killing of Mr Anthony Anugu, a political leader from South Bougainville who negotiated a partial settlement with the central government.

The uncertainty of the last few months has made life difficult for everyone.

Now, with the election over, we can all get on with planning more confidently for the future. What better way to boost your morale than to consider the purchase of a new Jaguar.

Naturally, when looking into the replacement of your car, you will want to take account of tax thresholds, finance packages and warranty terms. You will also want to make sure the car you choose will hold its value.

Quite simply, the more you investigate, the more you will be drawn to Jaguar.

At a time when other luxury cars are becoming increasingly expensive, a Jaguar represents unrivalled value for money. For example, at £24,856,* the XJ6 3.2 litre saloon costs less than many top executive cars.

What is more, while the residual values of used cars are generally falling, those of used Jaguars have risen. This speaks volumes for Jaguar's quality and reliability.

Built in the UK and supported by an extensive dealer network, Jaguar saloons offer new six cylinder 24-valve 3.2 and 4.0 litre engines, a low-loss catalyst exhaust, anti-lock braking, electric seats and a sophisticated new audio system with optional CD autochanger.

You will also want to consider the superb, restyled XJS models introduced last year.

Of course, the fact that you will enjoy Jaguar's legendary ride, performance and handling almost goes without saying.

So call free for a presentation pack or, to arrange a test drive, simply call your local Jaguar dealer.

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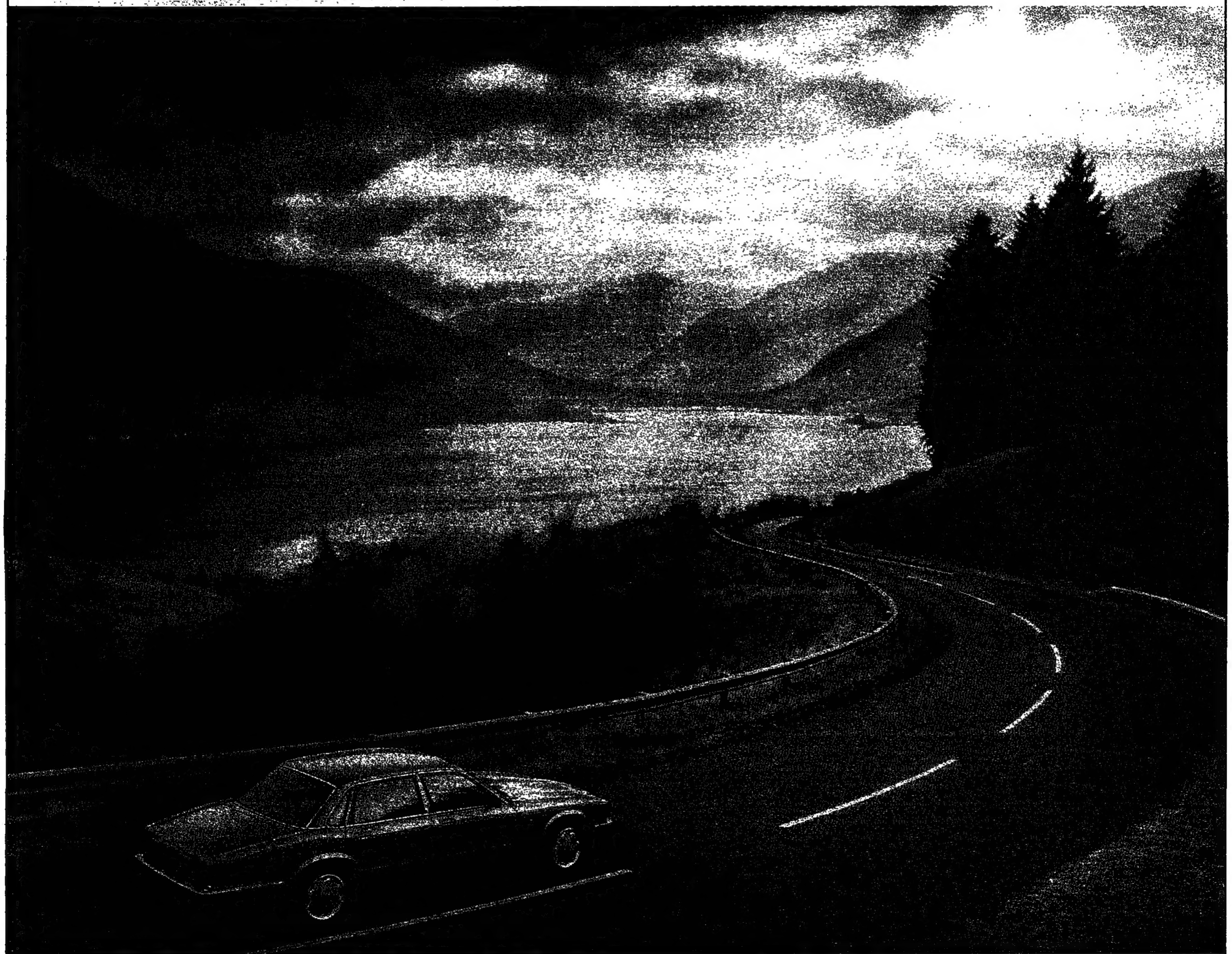


"Why a Jaguar?" I asked. "Because I've had a rough ride long enough," he replied.

JAGUAR
SPEAKS FOR ITSELF

*Car featured: XJ6 3.2 Litre Manual Saloon at £24,856. Price, correct at time of going to press, excludes £400 estimated cost of delivery and number plates. Jaguar Cars Limited, Coventry, England.

Caterpillar bars door to returning strikers

By Barbara Durr in Chicago

CATERPILLAR, the world's largest maker of earth-moving equipment, yesterday turned away workers returning from a five-month strike. The workers were going back to their jobs after an agreement to end the strike was reached late on Tuesday.

The agreement between the United Auto Workers union and the company emerged following two days of talks called by the Federal Mediation and Conciliation Service. Under its terms, the company agreed not to hire replacement workers for strikers and the union said it would send its members back to work. Although contract negotiations were scheduled to restart next week, workers would meanwhile have to return under the terms of the last contract offer by Caterpillar.

The accord means a significant setback for the union. It was unable, using the long strike, to win all the concessions it wanted on wages, job security and health benefits. The union had been holding out for a pattern settlement – similar to that agreed between the UAW and Deere & Co, another US heavy equipment maker, last year – but Caterpillar insisted this would make it globally uncompetitive.

In its final contract offer last week, Caterpillar said it was willing to provide higher wages, subsidised health care benefits and six-year job security. It offered to raise the average salary to $19.28 from $17.85 per hour over three years.

Signalling that it felt it had the upper hand, the company indicated on Tuesday that while it would not hire replacement workers, it would continue to take applications for the union jobs. It also said it had changed some technical processes in its plants and would assess how many of the returning union members it would need to call back.

Whatever occurs in the new contract negotiations, it looks unlikely that the UAW would strike again, given the uncertainty about what gains it might make.

The financial markets celebrated the end of the bitter strike in their own way. Caterpillar's share price rose in New York yesterday after the strike ended. At midday, the shares were up $4¼ to $53⅝.

Some of the 10,000 peasants evacuated from villages around Cerro Negro volcano in Nicaragua, which erupted last week.

Flooding keeps Chicago trade low

By Barbara Durr in Chicago

TRADING at Chicago's futures markets and other businesses suffered for a third day yesterday after floods and power cuts following an accident in the underground system on Monday.

The Chicago Board of Trade, the largest futures exchange in the world, opened for just two hours yesterday and hoped to be able to extend trading by a few more hours today. The market has traded the equivalent of only one full day over the three days since the floods.

Department stores were still closed yesterday. Unofficial estimates put the losses in damage and lost sales since Monday at around $1m (£565,000) a day.

Mr Thomas Donovan, president of the CBOT, said it was essential the futures markets opened "open as soon as possible".

He said that although the exchange was not worried about a permanent loss of customers, some business had moved to other centres abroad.

Trading volume at the London International Financial Futures Exchange had increased by about 400 per cent since the flood on Monday, according to Mr Donovan.

The CBOT's closure has also affected the financial and agricultural markets. There has been no trading in the CBOT's futures on the US Treasury bond, the most actively traded futures in the world.

In the grain market, the inability to hedge transactions has led to cancellation of orders from around the world and has virtually halted the movement of grain into US storage elevators.

The other big markets in Chicago, the Chicago Mercantile Exchange, the world's second largest futures market, the Chicago Board Options Exchange, the world's largest options market, and the Midwest Stock Exchange, were trading normally yesterday.

However, many futures trading firms were still unable to function, and some doubled up in offices of competitors in order to do business.

The business district has been declared a disaster area.

Peru faces dilemma on frozen aid

Stabilisation plan, says **Leslie Crawford in Lima**, may be in danger

PERU'S ECONOMIC stabilisation programme appears to be in jeopardy because of the suspension of international aid following President Alberto Fujimori's palace coup on April 5.

The country faces a balance of payments crisis because it can no longer rely on a $1.3bn debt-relief package put together by the Support Group of creditor nations. The money would have allowed Peru to clear debt payment arrears with the World Bank, International Monetary Fund (IMF) and the Inter-American Development Bank (IADB). This in turn would have paved the way for a rescheduling agreement with commercial banks, owed more than half of Peru's $23bn foreign debt.

Of the $1.3bn pledged by the support group, Peru has received only $300m from Japan in December. A further $100m linked to an IADB loan is due from Japan. The US has frozen $320m in economic aid, most of it earmarked for debt relief. Germany has suspended $110m in development grants and Spain some $50m. Humanitarian aid is unaffected. The US emergency food programme estimates it feeds 3m people, or one in seven Peruvians, who would otherwise starve.

The IADB, the only bank currently lending to Peru, has put about $400m of credits on hold. Mr Fujimori's cash-strapped government needed the IADB loans to reactivate the economy, which is still suffering from the shock of an IMF austerity programme.

"The government faces a dilemma," says Mr Jorge Chavez, president of Peru's Central Bank. "It either draws down international reserves to meet its foreign obligations, or it declares a new moratorium, which would set back Peru's rehabilitation within the international financial community."

Peru has $1.4bn in reserves, but Mr Chavez would resist any attempts by Mr Fujimori to draw on the funds. "I will not lend the government a single dollar to pay debt arrears," he says, "it would be an irresponsible use of reserves."

He says the coup took him by surprise. He was at an IADB meeting in the Dominican Republic when Mr Fujimori installed a military-backed "emergency government," closing parliament and the judiciary. He believes Peru's only hope of winning back financial aid will depend on Mr Fujimori's announcing a timetable for the rapid restoration of democracy.

Unless this happens, many believe that Mr Chavez, who has clashed with the president in the past, will resign.

Mr Fujimori is also under pressure to produce a quick turnaround in the economy, now that he has "unshackled" himself from the parliament he so despised. "The coup has raised expectations that people's living standards will improve," says Dr Jorge Gonzalez Izquierdo, the economics dean at Lima's Universidad del Pacifico. "If the austerity continues, Fujimori's popularity will plummet."

Mr Fujimori maintains that the about $90m "saved" by closing Congress will be spent on raising teachers' wages and social programmes. Dr Gonzalez Izquierdo maintains that this is pure demagoguery: "The government has failed to implement a single programme to alleviate poverty since it took office 22 months ago."

The business community, which overwhelmingly endorsed the coup, is expecting favours. Exporters want the central bank to intervene in the open foreign exchange market to bring about a devaluation of the sol. The currency's strength against the dollar is the result of a flood of drug money and speculative capital and has transformed Lima into one of the most expensive cities in Latin America. Industrialists want lower taxes, lower interest rates and a freer labour code.

Some economists, like Mr Hernando de Soto, question the effectiveness of the government's macroeconomic programme in the absence of deeper social reforms. He says that 92 per cent of farmers do not have titles to their land. Unable to obtain credit, they were condemned to poverty.

Only 150,000, out of 23m Peruvians, paid tax last year, with tax evasion preventing the government from being able to provide basic health and education services, let alone equip an army to fight a fully-fledged civil war which has claimed 23,000 lives, mostly civilian, in 12 years.

The tensions were visible when Mr Fujimori addressed the tourist business council this week. His speech was subdued and offered no clues about how he intends to manage the economy or his timetable for political reform.

World Bank expects 2.9% annual growth

Boom years predicted for Third World in 1990s

By Michael Prowse

DOMESTIC economic reforms will lead to much improved growth prospects for developing countries in the 1990s, according to a study* published today by the World Bank.

The bank projects per capita growth of 2.9 per cent a year in the 1990s, compared with only 1.2 per cent in the debt-ridden 1980s. This represents a return almost to the golden years of the 1960s, when per capita growth averaged 3.3 per cent a year in the Third World.

Eastern Europe, however, is set to remain one of the slowest-growing regions. The bank projects per capita growth of only 1.6 per cent a year in the region, well below that in Asia or Latin America. No forecasts were made for former Soviet republics.

The decade started badly for developing countries with per capita incomes falling in both 1990 and 1991. Most countries continue to face a difficult external environment:

- growth in big industrial countries is likely to average 2.6 per cent a year, slightly less than in the 1980s;
- concessional finance will be scarce, with only the strongest economies able to tap private capital markets;
- real interest rates will stay high at about 3 per cent;
- commodity prices are expected to remain at current low levels in the short term before rising in the second half of the decade.

The bank bases its optimism mainly on "sweeping policy reforms" taking place in the developing world. It says countries in every region have sharply reduced trade quotas and tariffs, resulting in a doubling of the bank's index of "trade openness" in the past decade. Trade liberalisation should underpin real export growth of 7 per cent a year in the 1990s – the best performance in 35 years.

The report calls on developed countries to support these trends by dismantling their own trade barriers, particularly those erected against manufactured goods. It says a 50 per cent reduction in trade barriers in the US, Japan and the EC would raise developing country exports by more than $50bn (£28bn) – almost as much as the net flow of development aid.

However, the distribution of the benefits of trade liberalisation in rich countries would be uneven. Bank figures show that east Asia would probably win more than 50 per cent of the additional export orders. Latin America would account for a further 20 per cent. Eastern Europe might win little more than 7 per cent of the new markets.

The study warns developing country exporters not to rely solely on cheap labour as a source of competitiveness. It recommends greater investment in transport and telecommunications and says countries that fail to invest in education, training and information technology "will find it increasingly difficult to compete successfully in the global market for manufactures at any acceptable wage."

Global Economic Prospects and the Developing Countries. World Bank, 1818 H Street NW Washington DC 20433.

Financial Times Reporters look at some of the issues ahead of the Earth Summit to be held in Rio de Janeiro in June

Strong: called for meeting

VIPs study how to foot ecology bill

JAPANESE prime minister Kiichi Miyazawa and two of his predecessors yesterday opened an "eminent persons" conference in Tokyo called to work out ways to foot the bill for preventing worldwide environmental destruction, Reuter reports from Tokyo.

Some 30 business and political leaders will meet for three days to consider how to pay for projects approved at the UN-sponsored Earth Summit in Brazil. "Japan has both the responsibility and capacity to play a leading role in constructing a society which can co-exist and co-prosper with the global environment," former premier Noboru Takeshita told the conference of VIPs.

Mr Takeshita was asked to convene the Eminent Persons' Meeting on Financing Global Environment and Development by Mr Maurice Strong, secretary-general of the UN Conference on Environment and Development (UNCED), which is organising the summit.

Hopes were high that the conference would come up with a specific figure for environmental funds.

Conference officials denied this, but agreed billions of dollars would be needed and that the developing world would be asked to foot a large part of the bill.

Former US President Jimmy Carter told yesterday's opening session rich nations were to blame for environmental woes.

Negotiators try to settle differences

US refusal to set carbon dioxide targets threatens the summit, reports **John Hunt**

NEGOTIATORS charged with drafting a convention to combat global warming in time for approval at the Earth Summit in Rio de Janeiro in June are to meet again in two weeks, in a last-ditch effort to resolve differences among the 140 countries involved.

A gathering of the International Negotiating Committee (INC) in New York from April 30 to May 8 will follow five preparatory conferences over the past year, all of which ended in deadlock. As late as last February, the committee was able to produce only the sketchiest of outlines, and even then nearly every page was a forest of square brackets denoting sections where representatives were in dispute.

"It has become a big poker game," says Ms Fiona Weir, campaigner for atmosphere protection at Friends of the Earth, the British-based international environment organisation. "They are all staring into each others' eyes to see who will blink first." Friends of the Earth and other international "green" organisations are calling on governments to convene an emergency meeting of their environment ministers to save the negotiations.

At the centre of the dispute is the refusal of the US to set a national target for emissions of carbon dioxide, the most potent of the gases responsible for global warming.

Mr Robert Reinstein, head of the US delegation, insists each country should draw up an action plan to reduce emissions of global-warming gases "as best it can", taking into account its own particular circumstances.

Moreover, the US would continue to oppose rigid, quantitative targets and timetables, whether for carbon dioxide or for other gases such as methane, nitrous oxide, ozone and chlorofluorocarbons (CFCs). The US administration believes stabilisation by 2000 would damage its economy, which depends on the fossil fuels that create carbon dioxide.

This policy angers Third World countries, which see it as a determination by the US to continue its "gas guzzling" habits. They point to a study by US economists which says carbon emissions could be cut by 35 per cent with little or no cost to the US economy.

Developing countries led by the Group of 77 Third World countries, plus China, see no reason to commit themselves to a global plan unless the US and other industrialised countries give a lead. They argue that, since the industrialised countries produce three-quarters of the world's carbon dioxide emissions, they should bear the main responsibility for cleaning it up.

The intergovernmental panel of scientists established to investigate climate change says that, unless action is taken now, global temperatures could rise 1 degree Celsius by 2025, with bigger increases later in the century. This would cause rises in sea levels and wide flooding; the warmer climate could upset world agricultural production.

Meanwhile, the INC has not even been able to endorse these warnings in its draft preamble. While some representatives argue that there will be "serious social, economic and environmental consequences", others want no mention of "serious" and reference only to "potential" climate change.

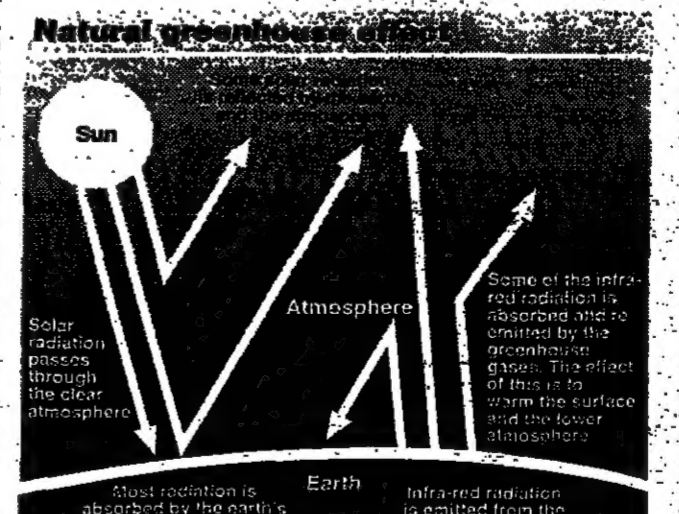
European Community members want all developed countries to adopt the EC target of stabilising carbon dioxide by 2000 as the basis for an agreement, but some countries, notably oil-producers, join the US in wanting a pledge that stabilisation will only be achieved "as soon as feasible".

Britain, having already had one compromise plan rejected, is now pressing another, a "phased progressive approach": targets would be set for stabilising carbon dioxide by 2000 and methane at another fixed date, with other gases to be included in the programme later. A review process would put "peer pressure" on countries which were not complying. However, this too is meeting resistence from developing countries, which are suspicious that the review might be be an encroachment on their autonomy.

Differences also abound over assistance for developing countries. They want compensation from industrialised countries, including a new fund to meet the "full and incremental environmental costs" of implementing any convention. The US, Britain and other countries within the Organisation of Economic Co-operation of Development object to the notion of "compensation" for environmental damage. They say that any money should be channelled through the existing Global Environment Facility, which is administered by the World Bank.

Another vexing problem concerns the transfer of technology to enable Third World countries to grapple with pollution problems as their industry expands. They insist they should have preferential non-commercial access to technology transfer and the use of patents which have been developed in the west. Industrialised countries say that, while they are prepared to develop a co-operative mechanism to facilitate the flow of technology, it must be on a commercial basis.

The INC was charged by the United Nations General Assembly with completing an effective framework convention to combat climate change with "appropriate commitments" in time for the summit's opening on June 1. But, as Mr Tariq Osman Hyder of Pakistan told the last INC meeting, "the prognosis for a successful conclusion in time for Rio cannot be optimistic."



Faster phasing-out of ozone-depleters sought

By Frances Williams in Geneva

GOVERNMENT experts from 56 countries have recommended an accelerated phase-out of ozone-depleting chemicals in industrialised countries by 1996, four years earlier than currently specified by the Montreal Protocol, the United Nations-sponsored international agreement.

The recommendation, after a 10-day meeting in Geneva, follows new scientific evidence that ozone concentrations in the earth's atmosphere, which protect plant and animal life from harmful ultra-violet rays, are decreasing more rapidly and over a wider area of the globe than previously thought.

The US and the European Community have already decided unilaterally to phase out chlorofluorocarbons (CFCs), halons and some other ozone-depleting chemicals by the end of 1995. CFCs are used in refrigeration, aerosols and solvents, and halons are used in firefighting equipment.

The meeting discussed amendments to the Montreal Protocol to go to a ministerial meeting in Copenhagen in November. Proposed changes include:

- A phase-out of CFCs, halons, carbon tetrachloride and methyl chloroform (used in industrial solvents) by January 1 1996. Some countries such as Germany, Denmark and the Netherlands want this advanced a year.
- Restrictions and eventual phase-out of short-term CFC substitutes, such as hydrochlorofluorocarbons (HCFCs) which are also ozone-depleters.
- Restrictions and eventual phase-out of bromine-based substances, including methyl bromide, which are significant ozone-destroyers. Methyl bromide is widely used as a base for agricultural fumigants and fungicides.
- Additional financial and technical assistance for developing countries, which now have 10 more years than rich nations to implement the Montreal Protocol, to phase out ozone-depleters more quickly.

Worldwide CFC consumption has already fallen 40 per cent from 1986 levels. Even so, atmospheric concentrations of chlorine and bromine are expected to rise into the next century, prompting environmentalists to urge an immediate and comprehensive ban on ozone-destroying chemicals.

Rio will be ready, promise the Brazilians

By Christina Lamb in Rio de Janeiro

WITH LESS than two months before its opening, the Earth Summit seems in danger of turning into a circus.

Work has only just started on converting the Riocentro exhibition centre in Rio de Janeiro into a suitable venue for the two-week event, which is intended to be the world's biggest ever gathering of government leaders and heads of state.

So far, four phone boxes appear to be the only facilities for press and delegates. A pile of rubble represents what is to be the main entrance.

In the past month, Brazil's foreign minister has resigned and its eccentric but internationally respected environment minister sacked. The summit organiser is waiting to see if his resignation will be accepted and one of his main assistants has quit.

So far behind are preparations that when the Islamic world asked for the conference to be delayed to accommodate a religious holiday, many suspected the Brazilians put them up to it. Although 95 countries have so far confirmed that they will be present, US President George Bush's continued snubbing of the affair is likely to result in last-minute cancellations. The later date means that Mr John Major, the British prime minister, is unlikely to be at the heads of government meeting at the end of the summit because it clashes with the trooping of the colour to mark the Queen's 40th year on throne.

Mr Flavio Perri, conference co-ordinator, insists all will be well. He promises to be drinking champagne to toast the centre's completion on May 25, the date he is due to hand Riocentro over to the United Nations.

Mr Perri admits that allocating accommodation for the estimated 12,000 official delegates was "a complete nightmare". Everyone so far has applied for the handful of five-star hotels. The Germans and Canadians are no longer speaking after a wrangle over the same hotel. The British delegates are understood to have used less than gentlemanly tactics to get the rooms they wanted. Locally based diplomats and the Brazilian organisers are barely speaking.

"I doubt I'll survive this," says Mr Perri. "Either someone will assassinate me or I'll die from the strain."

Meanwhile, a cholera epidemic has finally reached Brazil's north-east and threatens to hit Rio in time for the big event.

Bush's snubbing of the affair may result in last-minute cancellations.

But one of the biggest threats to the event is Rio's notorious crime rate. Even with new weapons for the occasion, the Rio police will be less well equipped than the city's trafficking and kidnap gangs. If Mr Bush decides to attend, he will stay in Brasília, the capital, because nowhere in Rio is considered safe enough. No security scheme has yet been elaborated but the army, navy and air force are all being called in to patrol the streets and French police have been giving lessons in security.

Street children who make their living from petty crime have been cleared from the streets near where delegates will stay and moved to the city centre. A road has been built from the airport to bypass the worst parts of the city.

But carnival fever is in the air. Rio residents are awaiting a jamboree. The main conference days have been declared an official city holiday, taxi drivers are looking forward to booming trade, and local entrepreneurs are preparing packets of authentic Copacabana sand to sell as souvenirs.

EC to hit back at US steel 'dumping' suits

By David Gardner in Brussels

BRUSSELS told the US yesterday it would respond vigorously to the American steel industry's launch of anti-dumping and subsidy suits against five EC steelmakers.

The real purpose of the suits was to "obstruct legitimate trade in steel or force partners of the US to accept the renewal of voluntary restraint agreements," the European Commission charged.

The EC executive urged Washington to examine each *anti-dumping complaint* rigorously, adding it would "not hesitate to use all methods of recourse available under Gatt" to contest the suits.

This new skirmish in the widening transatlantic trade dispute, although anticipated, does little to improve chances of the EC and US settling their wider differences within the Uruguay Round negotiations, the main subject of next Wednesday's bilateral summit in Washington.

The US industry's complaint has been made against United Engineering of the UK, Usinor and Ascometal of France, Thyssen and Saarstahl of Germany, and an unnamed Brazilian steel producer.

The complaint wants countervailing duties of 53 per cent, and anti-subsidy duties of 10 per cent against the UK company; the respective figures claimed against the French producers are 69 and 20 per cent, and against the German companies, 79 and 25 per cent.

The action follows the failure two weeks ago of talks on a Multilateral Steel Agreement (MSA) to replace voluntary restraints on entering the US market, which expired at the end of March.

EC officials say that some European steelmakers, especially those on long-term contracts, could as a result of weakness in the dollar be selling into the US more cheaply than at home.

But they insist that this "technical dumping" would make it hard to prove injury to US producers, especially when the EC had cracked down on state aid to steelmakers, and total Community exports to the US had fallen back from 7m tonnes to under 6m tonnes since 1989.

The MSA talks made some progress before being broken off at the end of last month, and the Commission yesterday urged their resumption "without undue delay."

Washington stands firm on anti-trust decision

A US Justice Department official said yesterday there was "no likelihood" his department would reconsider its April 3 decision to enforce US anti-trust laws against foreign companies on the basis of harm to US exports, AP-DJ reports from Tokyo.

But Mr James Rill, assistant attorney-general, dismissed concerns that the change would be used as a trade policy weapon, noting rather that it was "a strong way of avoiding a trade war".

Mr Rill was speaking after attending a bilateral conference in Tokyo this week on US and Japanese anti-monopoly laws. During the conference, Japanese officials repeatedly expressed their opposition to the change in US policy. Mr Setsuo Umezawa, head of the Japan Fair Trade Commission, said enforcement of the policy could violate principles of international jurisdiction, and expressed fears it would be abused as a trade policy tool.

Mr Umezawa and other Japanese officials indicated that implementing the policy could fuel friction in US-Japan relations. They wanted to work on convergence of anti-trust procedures multilaterally through the Organisation for Economic Co-operation and Development.

SIA halts Atlantic flights to Toronto

By Bernard Simon in Toronto

SINGAPORE Airlines (SIA) is to suspend its thrice-weekly transatlantic service to Toronto after failing to resolve a dispute over traffic rights with Canada's two main airlines.

The dispute revolves around passengers carried by SIA between Toronto and Amsterdam, which is the airline's stopover point en route to Singapore.

Neither Air Canada nor Canadian Airlines International has flights to Amsterdam, but they contend that SIA is carrying a large number of passengers who transfer to flights to other European cities.

In a concession to the Canadian carriers, SIA last month halted services to Vienna, which is also served directly by Air Canada.

SIA claims that it carries only 1.5 per cent of passengers between Europe and Canada.

It contends that passengers flying to most other European capitals prefer to take the direct flights offered by other airlines from Toronto.

According to SIA, Canadian officials earlier this week rejected a proposal that the airline suspend its transatlantic flights in exchange for an expanded service across the Pacific to Vancouver.

SIA currently has a twice-weekly service to Canada's west coast.

SIA said it plans to suspend the Toronto service in July, Mr Paul Tan, but an SIA vice-president based in Toronto, said yesterday he expects further talks to take place in the forthcoming months.

The dispute led Canada to give one year's notice last August that it was terminating a bilateral air services agreement with Singapore.

Mr Cheong Choong Kong, SIA managing director, said yesterday that "we tried our best to carry on, but with August 1992 fast approaching, we had to make a decision.

"The uncertainty is unacceptable."

Caribbean feels cold winds blow

Recession is hitting a once-thriving industry, Canute James writes

AS THE Caribbean high season draws to a close, the glum faces in the tourist industry and indications of despair among hoteliers suggest all is far from well.

Few countries in the region are attracting the numbers of visitors they traditionally entertain: there has been no especially cold northern winter to drive shivering thousands southward and the recession in North America and western Europe continues. The depression in the industry must be shared by more than a few finance ministers in the region, particularly those in which the leisure and travel industry has become a pillar of otherwise straitened economies.

Many people involved in the industry reckon that a host of domestic and international problems probably means the industry's fortunes this year will be hardly better than in "awful" 1991 when 11.6m tourists earned the resort countries about $9bn (£5.2bn). Acknowledging the gravity of the situation, Caribbean political leaders recently gathered in Jamaica to see how the product might be improved and earn more. They concluded there was much hard work ahead.

Mr Jean Holder, director of the Caribbean Tourism Organisation, says the industry faces the threat of stagnation after 10 years' healthy growth. It was first hit by the decline in

The Caribbean: breezes waft a warning for traditional resorts

leisure travel because of the Gulf war, then by the recession in western European and North America, from where the US provides three out of five of the region's tourists.

Amid these problems, the recent collapse of Pan American Airways could not have come at a worse time. The airline was long an important carrier of US tourists and had become more important with the earlier demise of Eastern Airlines. American Airlines is now the only major carrier.

Mr Luther Miller, one of the organisation's marketing specialists, says: "We need to put our heads together to find the best possible position for the Caribbean to secure our tourist industry. God forbid that, for whatever reason, American Airlines should go on strike. The effect would be catastrophic."

Most of the Caribbean resorts cater to the higher end of the market, and the region is generally regarded as an expensive destination. Competing for market share, especially during a recession, is difficult, and destinations which offer a better bargain will be preferred.

"A few years ago, you were doing somersaults in the marketplace," says Mr Gordon Stewart, one of Jamaica's leading hoteliers. "You are going to have to do triple somersaults at this time to simply stay where you were a couple years ago." The image of the region has also suffered from an increasing number of well-publicised attacks on tourists. It is a problem which resorts can ill-afford to treat lightly, and one which Mr Miller thinks has to be faced by the governments of the region.

"Very seldom a day goes by," he says, "when I don't hear a horror story on one island or another about crime against tourists. It is all well and good to suggest there is more serious crime taking place in the city centres where our tourists come from, but when someone comes here for a vacation, they do not want to be interrupted by ugly experiences."

Meanwhile, while the industry is still hoping for an improvement by way of an upturn in the US economy, the traditional resorts are looking anxiously at a renewed source of competition: the Cuban government has decided that the almost instant cash which tourism provides, can offer it some relief from its hard-currency shortage.

Cuba is expanding its tourism infrastructure and intends to increase its hotel rooms, currently at 7,000, to 30,000 by 1995. Tourist arrivals last year were 400,000, and the government in expecting half a million this year, with over 1m a year from 1995 onwards, most from an increased market share in Canada, Mexico and west Europe. Cuba could be expected to exploit its control of all aspects of the industry, setting prices to undercut other Caribbean resorts.

US seeks negotiated end to beer row with Canada

THE US will delay retaliatory duties on Canadian beer imports while trying to negotiate an end to a dispute over dismantling trade curbs on US beer sold in Canada, Mr Julius Katz, deputy US trade representative, said yesterday, AP reports from Washington.

Canada had agreed to relax the curbs over three years, but the US rejected this, saying it would take too long to implement. The US had threatened to impose retaliatory duties on Canadian beer imports to the US starting on April 10 if Canada did not act quickly to remove the barriers.

"The Canadian response has been disappointing to date, but we have decided to delay for a short time, in the hope we can achieve a negotiated solution that will provide significant non-discriminatory market access by this summer for US beer in Canada," Mr Katz said.

Pending the outcome of talks, the US Customs Service would withhold liquidating duties on Canadian beer entered or withdrawn for consumption from warehouses. No extra cash deposits or bonds would be needed.

Japan's shipyards see rise in foreign tonnage orders

FOREIGN ship orders received by Japanese yards rose slightly in tonnage in the year ended March 31 compared with the previous year, an official at the Japan Ship Exporters' Association (JSEA) said, Reuter reports from Tokyo.

"Orders fell in September-March, but we saw reasonably steady growth in 1991-92," Mr Yuichi Watanabe, JSEA's executive managing director, declared. "Forecast of 1992-93 orders is likely to be lower on the weaker world economy." Total orders were 140 ships of 7,234,840 gross registered tons (grt) in 1991-92, against 148 of 7,141,199 grt in 1990-91.

"We still cannot clearly judge the world economy's trend, but expect it to recover by autumn," Mr Watanabe said. "Shipowners are judging when to put in tanker orders following the new tanker law." The new International Maritime Organisation law says that, from July 6, 1995, existing crude tankers of 20,000 deadweight tonnes (dwt) and above and existing product carriers of 30,000 dwt must undergo stricter inspections to prevent oil spills.

Indonesia clears way for $1.6bn complex

By William Keeling in Jakarta

INDONESIA cleared the way yesterday for a $1.6bn (£930m) petrochemical project, six months after the government announced its postponement until after 1995. Go-ahead depends on the plant being 100 per cent foreign-owned, the first time a wholly foreign-owned project has been allowed outside the Batam Island export zone. Officials are studying new rules to permit full foreign ownership of the project, to be in West Java.

The government's treatment of the project, an olefins complex to make petrochemicals for domestic plastic and textile industries, as a special case has attracted criticism. Proposed by Mr Prajogo Pangestu and Mr Henry Pribadi, two Indonesian businessmen, in early 1990, it won the backing of the *Bimantara Citra Group*, an Indonesian conglomerate headed by Mr Bambang Trihatmodjo, President Suharto's second son.

Originally estimated to cost $2.25bn, it was one of four petrochemical projects totalling $9bn postponed last October. That decision was prompted by concern over a deteriorating current-account deficit due partly to the cost of servicing Indonesia's $75bn international debt. Site clearance on the project had already begun, and Bank Bumi Daya (BBD), a state-owned bank, had committed $500m to the venture.

Mr Radius Prawiro, economy minister, said the BBD loan would be turned into a short-term bridging loan and the project would have to be financed entirely by foreign equity. This meant any offshore loans arranged by foreign companies would not be counted as Indonesian debt.

Dr Adrianus Mooy, central bank governor, said the project's "impact on the balance of payments was still there, but less serious than before", because of the $625m cost reduction. Japanese banks will be the main financiers, with Toyo Engineering and Marubeni doing the construction.

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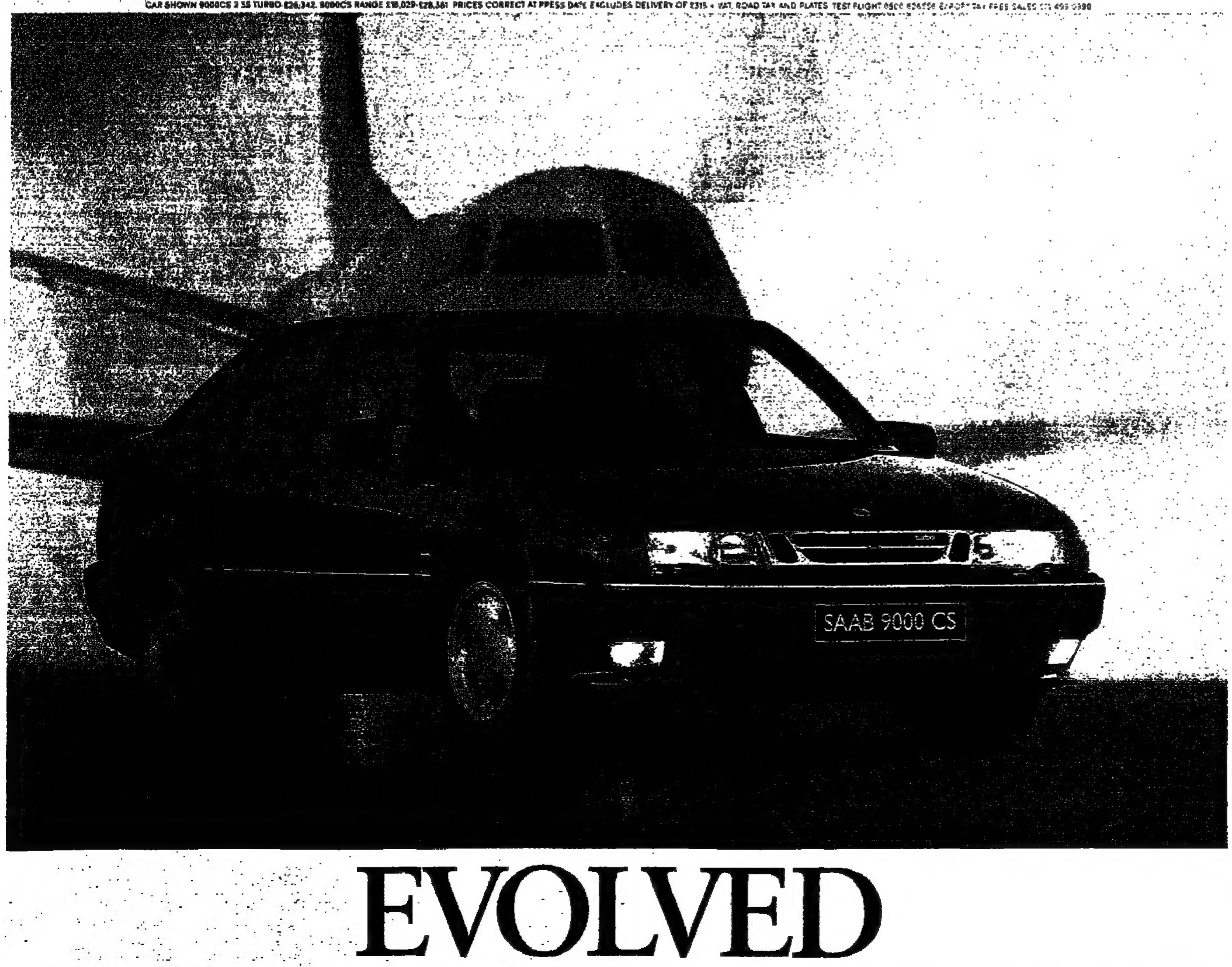

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City faces uncertainty on financial regulation

By Richard Waters

REGULATORS and financial institutions in the City of London were braced for a period of uncertainty yesterday as it was confirmed that responsibility for investment regulation in the UK is to move to the Treasury from the Department of Trade and Industry.

Oversight of insurance companies is to remain with the DTI, despite earlier indications that this would also move to the Treasury.

The reorganisation will allow the Treasury to speak on behalf of the UK in international discussions on financial regulation, mirroring the involvement of finance ministries in most other developed countries. It also reflects a desire to bring the supervision of financial conglomerates increasingly under one roof, the Treasury said.

One of the Treasury's first challenges will be to fight the UK's corner in Brussels over the proposed Investment Services Directive. Mr John Redwood, the previous junior minister at the DTI, had fought hard over the past two years to protect the City from legislation which many fear could be damage its interests. Discussions are expected to resume shortly, before the UK takes over the presidency of the EC on 1 July.

The division of responsibillities between the DTI and the Treasury has, however, left many in the City uncertain about their future relationship with government, and prompted concern about the UK's ability to mount a unified front in Brussels in negotiations over the financial sector.

The Association of British Insurers, the trade association of the UK's powerful insurance industry, said there was a case for having only one government department sponsoring the financial sector, rather than two.

The switch to the Treasury, foreshadowed in the Conservative manifesto before last week's general election, will involve the 50-strong financial services division moving from the DTI in a matter of weeks.

Responsibility for financial regulation at the Treasury will be taken on by Mr Anthony Nelson, the newly-appointed economic secretary. Mrs Rachel Lomax, the Treasury's highly respected deputy chief economic adviser, will move next week to become the senior official responsible for the area, which includes the Treasury's existing financial institutions and markets group.

The division of responsibilities, though, means that the DTI will retain overall responsibility for insurance companies, while the Treasury will supervise their marketing operations.

It will also leave the Stock Exchange reporting to the DTI for some purposes, including its responsibility for overseeing listings under European law, and the Treasury for others, such as its activities as a Recognised Investment Exchange.

In a further division of responsibilities, the Treasury will have to agree an overhaul of retail investment regulation being planned by the Securities and Investments Board, the chief investment regulator. But the DTI, which oversees competition policy, will have the job of clearing these changes on competition grounds.

Retail sales fall after seven months of growth

By Emma Tucker, Economics Staff

RETAIL sales worsened in March reversing seven successive months of growth, according to the Confederation of British Industry (CBI), the UK employers' organisation.

The unexpected drop in sales between February and March contradicted recent tentative indications of an economic recovery.

Mr Nigel Whittaker, chairman of the CBI distributive trades panel, said yesterday that with the general election over, retailers expected to see sales improve.

The monthly distributive trades survey showed that retail sales volumes in March worsened compared with a year ago and compared with the previous month.

The CBI said the year-on-year comparison was distorted by several factors, in particular last year's VAT increase which boosted sales – especially of electrical and household goods – in March. It attributed the monthly decline to election uncertainties.

Until this latest survey, the CBI had reported a modest recovery in high-street sales for seven successive months.

Yesterday Mr Whittaker said he expected the improvement to resume in April, contributing to – as yet – patchy indications that the UK economy is on the brink of a recovery.

Earlier this week, figures from the Central Statistical Office showed that manufacturing output increased by 1.1 per cent in February. A survey of British purchasing managers two weeks ago indicated a revival of manufacturing activity between February and March.

Within the retail sector, clothing and shoe retailers reported volumes in March significantly down on a year ago. Strong annual growth in January and February had been boosted by heavier than usual price discounting, most of which ended in March.

The worse than expected sales meant retailers' stocks rose to their highest level since last August although the levels remained below a peak reached in June.

There was more encouraging news from the wholesaling sector which reported a sharp improvement in sales in March compared with a year ago. According to the CBI, the pick-up reflected higher sales of food, drink and industrial materials, and sellers of office equipment also reported better sales.

While the monthly improvement was encouraging, sales in the wholesale sector remained poor for the time of year.

More wholesalers, however, expected strong growth in sales with only those in building products and agricultural machinery expecting sales to stay below last year's levels.

Motor traders reported a continuing slowdown in the annual decline in sales in March. Parts and accessories sales, which had been growing annually against the trend in vehicle sales, declined sharply compared with a year ago.

The CBI said overall motor sales remained very poor for the time of year.

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Investment firm director arrested

By Norma Cohen, Investments Correspondent

MR Kenneth Renton, a director of Wentworth Investment Services, was arrested at Heathrow airport yesterday by the City of London Fraud Squad, in connection with the alleged disappearance of £4.5m from four investors, according to Fimbra, the financial advisers' self-regulatory body.

The City Fraud Squad said Mr Renton had been arrested and was helping police with their inquiries.

Fimbra said that from yesterday it suspended authorisation for Mr Renton to conduct investment business as well as the *authorisation of* Wentworth Investment Services. The other Wentworth directors were said to have been unaware that Mr Renton had been conducting investment business for the four investors.

Fimbra called in the Fraud Squad on Tuesday after hearing from four investors that Mr Renton had not been seen at his office at King Street in the City since last Friday. The four had tried previously to obtain refunds from him.

An initial review of the firm's records did not reveal any records of the four investors who had been seeking refunds. Fimbra is currently trying to determine whether if any other investors placed funds with Wentworth Investment Services.

Hong Kong officials welcome Patten as potential governor

By Simon Holberton in Hong Kong and Ralph Atkins in London

Chris Patten: may still decide to return to Commons

THE possibility of Mr Chris Patten, the Conservative party chairman, becoming governor of Hong Kong has been warmly welcomed by the colony's government officials.

Mr John Major, the prime minister, is believed to have told Mr Patten that he could have the job if he decides to make a break from UK politics. But Downing Street officials said a final decision remained some weeks off.

Mr Patten may decide he wants to return to the House of Commons at an early opportunity, following the loss of his constituency *in last* week's general election.

Hong Kong officials indicated they would prefer Mr Patten to Dr David Owen, the former Labour foreign secretary and leader of the defunct Social Democratic Party, who *has also been tipped as a possible* candidate.

The vacancy follows the retirement later this year of Lord Wilson, the present governor.

The colony's nascent political parties also gave guarded support to Mr Patten's rumoured candidature.

The United Democrats, which scored a near clean sweep in last September's direct elections, sees him as a liberal who is likely to be more supportive of their calls for greater democracy than the present administration.

Hong Kong government offi*cials said the a politician with* Mr Patten's political skills would be an asset to the colony as it approaches the most difficult period of the transition from UK to Chinese rule.

Mr Patten is seen as a leading political figure – not a-has been – with close ties to both Mr Major and Mr Douglas Hurd, the foreign secretary. He has also had administrative experience, a quality seen as vital in Hong Kong given the scale of the local administration.

Labour leadership contest threatens to divide party

By Ivo Dawnay, Political Correspondent

THE THREAT of a return to bitter divisions *within* the opposition Labour party emerged last night after Mrs Margaret Beckett, "shadow" chief secretary to the Treasury, reversed her earlier refusal to contest the deputy leadership.

Her candidacy, which looks *set to command strong sup*port, has turned the struggle into a four-horse race and fuelled controversy over the role of the trade unions.

Others candidates who started their campaigns yesterday are Mr John Prescott, the bluntly-*spoken transport* spokesman, and Ms Ann Clwyd, the spokesman on overseas development who last year topped the list of women elected to the shadow cabinet.

Mr Bryan Gould, environment spokesman, so far the only challenger to Mr John Smith for the leadership, is also contesting the deputy's post.

Mrs Beckett's decision to run – taken after decisions by Mr Tony Blair and Mr Gordon Brown to step aside – has fuelled charges from opponents that both contests are increasingly looking like a "stitch-up".

With Mr Smith – the *odds-on favourite for the lead*ership – backed by all the big trade union leaders, challengers say a victory for the shadow chancellor and the woman with whom he has worked closely for three years will lead to bitterness and division within the party.

Many Labour party members are also concerned that the shortened timetable for the election and the revelations that several unions are refusing to ballot their members on the leadership is providing a public relations' gift to the Conservatives.

One member of the Gould campaign team said: "It is *clear they [Mr Smith and Mrs* Beckett] have been involved in behind-the-scenes negotiations which are not healthy for party unity or democracy."

Such charges have thrown Mr Smith and Mrs Beckett's camps on the defensive with *both insisting that there was* no such thing as a Smith-Beckett "dream ticket." The shadow chief secretary also made a point of insisting yesterday that while she supported Mr Smith for the leadership she had neither sought nor received his endorsement as deputy. However, aides close to Mr Brown, trade spokesman, and Mr Blair, employment – both supporters of Mr Smith – confirmed that they had agreed to allow Mrs Beckett a clear run.

Names seek action on Lloyd's loss

By Andrew Jack and Richard Lapper

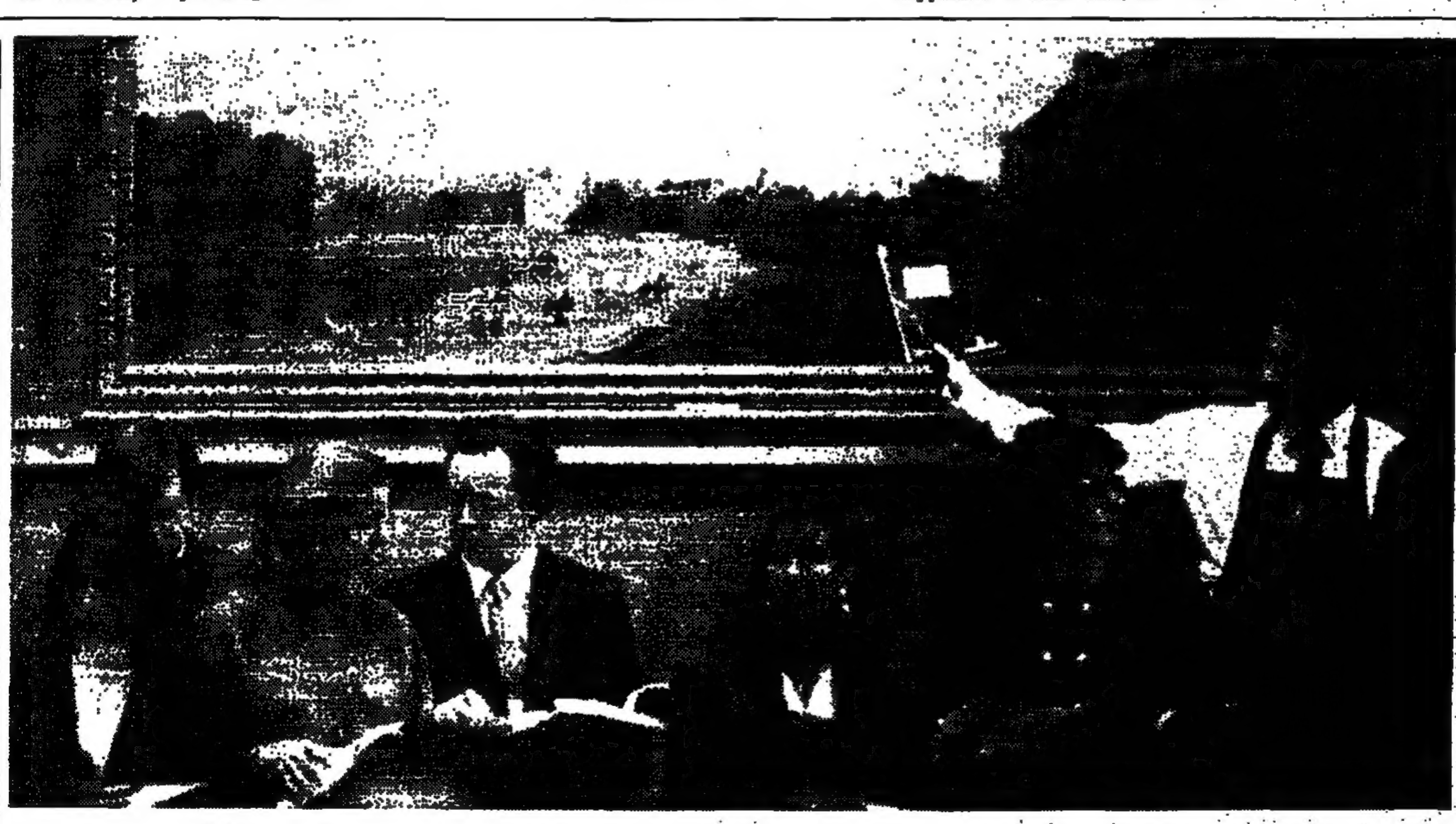
A GROUP of individuals facing severe losses on the Lloyd's of London insurance market are trying to join forces with an action group representing other so-called Names – individuals whose assets back underwriting on the market – also facing losses on funds committed by the Gooda Walker agency.

Members of Gooda Walker 387, a *syndicate expected to* face one of the largest losses in Lloyd's recent history, resolved yesterday to try to establish links with the Gooda Walker Action Group, headed by Mr Alfred Doll-Steinberg.

Members of 387 face losses of *over £35m – seven times the* amount they originally committed – for the 1989 underwriting year. The Names also called on Mr Peter Nutting – a member of 387 and a member of the Council of Lloyd's, the market's governing body – to press for an immediate review of the syndicate's losses.

Mr Nutting came to prominence earlier this year when he led a successful legal campaign by Names on the Outhwaite syndicate. Nearly 1,000 Outhwaite Names recovered £116m of losses in an out-of-*court settlement.*

Reviews are normally triggered when losses exceed 100 per cent of a syndicate's capacity – its capital base. A number of reviews are underway but the 1989 underwriting year has not yet been closed.



Lloyd Webber conducts £10m Canaletto investment

By Antony Thorncroft

ANDREW Lloyd Webber, the composer who threatened to leave the UK if Labour won the general election, yes*terday celebrated the Conservative vic*tory by paying £10.12m at Christie's for Canaletto's painting of The Old Horse Guards, London.

The price was higher than Christie's forecast and establishes a new record for the artist and for any Old Master sold in the UK, beating the £8.1m paid for Mantegna's Adoration of the Magi at Christie's in 1985.

The Canaletto was painted in 1749 just before the current Horse Guards parade ground in Whitehall was erected. *Mr Lloyd Webber*, who is better known for his musical collection which includes *Cats, Phantom of the Opera* and *Evita*, is now regarded as one of the UK's leading art collectors. His main area of interest is pre-Raphaelite and Victorian paintings.

He decided to bid for the Canaletto on Wednesday morning and secured it for around £2m less than his upper limit.

The Canaletto, pictured above at yesterday's auction, is a large work in excellent condition. It has been in the Harris family since the mid-18th century. There were fears that the painting would be sold to a foreign buyer and the Tate Gallery in London was very keen to acquire it for the nation before the auction, but no deal could be arranged.

Mr Lloyd Webber's successful intervention keeps the Canaletto in the UK and ensures that it will periodically be put on public display.

The purchase distracted attention from *Christie's failure to sell the other* major painting in the auction, Rembrandt's Daniel and Cyrus Before the Idol of Bel. This was unsold when the bidding stopped at £5.8m.

The Old Master auction totalled £13.654m but was 40 per cent unsold by value.

Baltic Exchange may move to former fish market

By Richard Evans, Richard Lapper and Vanessa Houlder

MEMBERS of the Baltic Exchange, which was badly damaged by last Friday's IRA bomb in the City of London, are hoping to move into the renovated Billingsgate fish market while their own listed building is being repaired.

Mr Peter Tudball, Baltic Exchange *chairman, told a* meeting of more than 700 members yesterday that the building would be saved, although repairs would take at least three years. Costs should be covered by the buildings insurance of £75m.

In the meantime the exchange, which arranges most of the world's freight chartering and more than half of the world's ship sales, hopes to find a temporary home at Billingsgate on the north bank of the Thames, which has been refurbished to a high standard by by *Citicorp*, the US bank, but never occupied.

The alternative would be for the 60 broking firms that occupied the Baltic Exchange to remain in their present temporary accommodation in the Lloyd's of London building and in the *offices of colleagues* throughout the City.

More details on a possible deal with Citicorp, the leaseholders, are expected to be available next week, and a further meeting of Baltic Exchange brokers is planned for next Friday.

The exchange building bore the full force of the bomb blast and it was feared initially that it would have to be demolished. The facade will have to be totally rebuilt and most of the stained glass windows were destroyed. However, the *basic structure, the trading* floor and the marble pillars withstood the blast.

The bomb damage has also left Ecclesiastical Insurance, the specialist church insurer, with one of its biggest ever losses. Damage to six churches affected by the blast has been *estimated at more than £3m.*

The biggest claim in the company's history was caused by a blaze at York Minster in the mid-1980s which left losses of over £4m. The churches affected by Friday's bomb all suffered extensive damage, including the destruction of ancient stained glass.

Meanwhile, loss assessors – acting on behalf of companies affected by the explosion – and loss adjusters – acting for insurers – are continuing to measure the full extent of the losses. Potential liabilities for *lost rental income from build*ings disabled by the blast could total over £100m.

Chartered surveyors believe that 15 buildings, with 1.3m sq ft of office space, have been severely disabled and will be vacant for several months. *Rents in the area average £40* per sq ft.

Mr John Major, prime minister, told the cabinet yesterday of his concern that news coverage of IRA attacks was concentrating on the physical impact to buildings rather than on the personal tragedies involved *and on the role of Libya in* supplying Semtex explosives to the IRA.

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Britain in brief

Satellite TV licences face amendment

Legislation governing satellite television licences may have to be changed to take account of the limited lifespan of satellite technology, according to Britain's Independent Television Commission.

The ITC issued the warning as it became clear that bidders for the 15 year licence to operate the Marco Polo TV satellite, currently used by BSkyB, has power for only eight to 10 years. Under the 1990 Broad*casting Act*, the ITC has to issue satellite licences for 15 years and make sure that applicants have the finances to sustain the service throughout that time. So applicants for Marco Polo, which the ITC hopes will be used for public *service* channels, must have enough money to buy or rent a new satellite for the last five-or-so years of the licence.

If no one is prepared to take on the obligation to fund and run a service for 15 years the ITC may have to try to persuade the government to amend the legislation.

Rail unions consider offer

Union leaders representing 116,000 rail staff are considering a fresh pay offer of 4.5 per cent from British Rail costing £79m.

The white collar union TSSA and the drivers' union Aslef looked set to recommend acceptance.

It is the first public sector pay deal since the election and is half a percentage point above inflation. It is also the first pay deal for the rail industry for nearly a century which, as far as BR is concerned, did not take place within the structure of the Railway Staff's National Council.

Mideast group buys property

*A consortium of Middle East*ern investors have bought a building in London's Knightsbridge for £21m, in one of the largest property transactions in Knightsbridge in recent years.

The building, opposite Harrods department store, has nine shops on the ground floor, 13,600 sq ft of offices on the first floor and 79 apartments on eight floors, which have been sold on long leases.

Teachers face redundancies

Teachers face mass redundancies unless ministers intervene to increase local authority budgets, according to the leader of one of the teachers' unions.

Mr Peter Smith, general secretary of AMMA – the second largest teachers' unions – said: "Unless action is taken at national and local level teacher redundancies on a scale never experienced before will hit the profession."

The 145,000-strong union was already dealing with 500 threatened redundancies, he told AMMA's annual conference in Birmingham. Other teachers' unions have also reported a sharp rise in redundancy levels.

Bank staff ban overtime

Some staff at the Royal Bank of Scotland are to begin an overtime ban in protest against a pay offer and their union has instructed *them to* refuse to fill cash machines. However, claims by Bifu, the financial services union, that dispensers could run out of cash over Easter weekend were refuted by the bank.

Clerical staff voted for industrial action in protest at a pay offer of between 2.5 and 3.5 per cent. Managers have also voted for action to protest at a performance-related pay system.

Minister looks at Scots affairs

The government has put Scotland's constitutional arrangements on its agenda by listing "constitutional affairs" among the responsibilities of Lord Fraser of Carmyllie, the new Scottish Office minister of state.

There was no indication *from the Scottish Office* what Lord Fraser, who was formerly the Lord Advocate, will do in exercising this responsibility, which is part of his home affairs portfolio. He will also take care of health and social work, and will represent the Scottish Office in the House of Lords.

However, the designation "constitutional affairs" has never before appeared in the list of responsibilities of Scottish Office ministers, according to the department. Lord Fraser has in the past favoured devolution.

ASB to review audit rulings

The Accounting Standards Board is restructuring the way it arbitrates contentious accounting practices following complaints from companies that the mechanism is undemocratic.

The changes will affect the operation of the urgent issues task force, which was established by the ASB last year to give swift rulings on the legitimacy of accounting practices as soon as they emerged.

The task force will publicise the subjects it is considering more widely, produce interim pronouncements on a subject and then allow at least a month for additional consultation before its binding "abstract" on a topic is released.

Russian wins Thomas prize

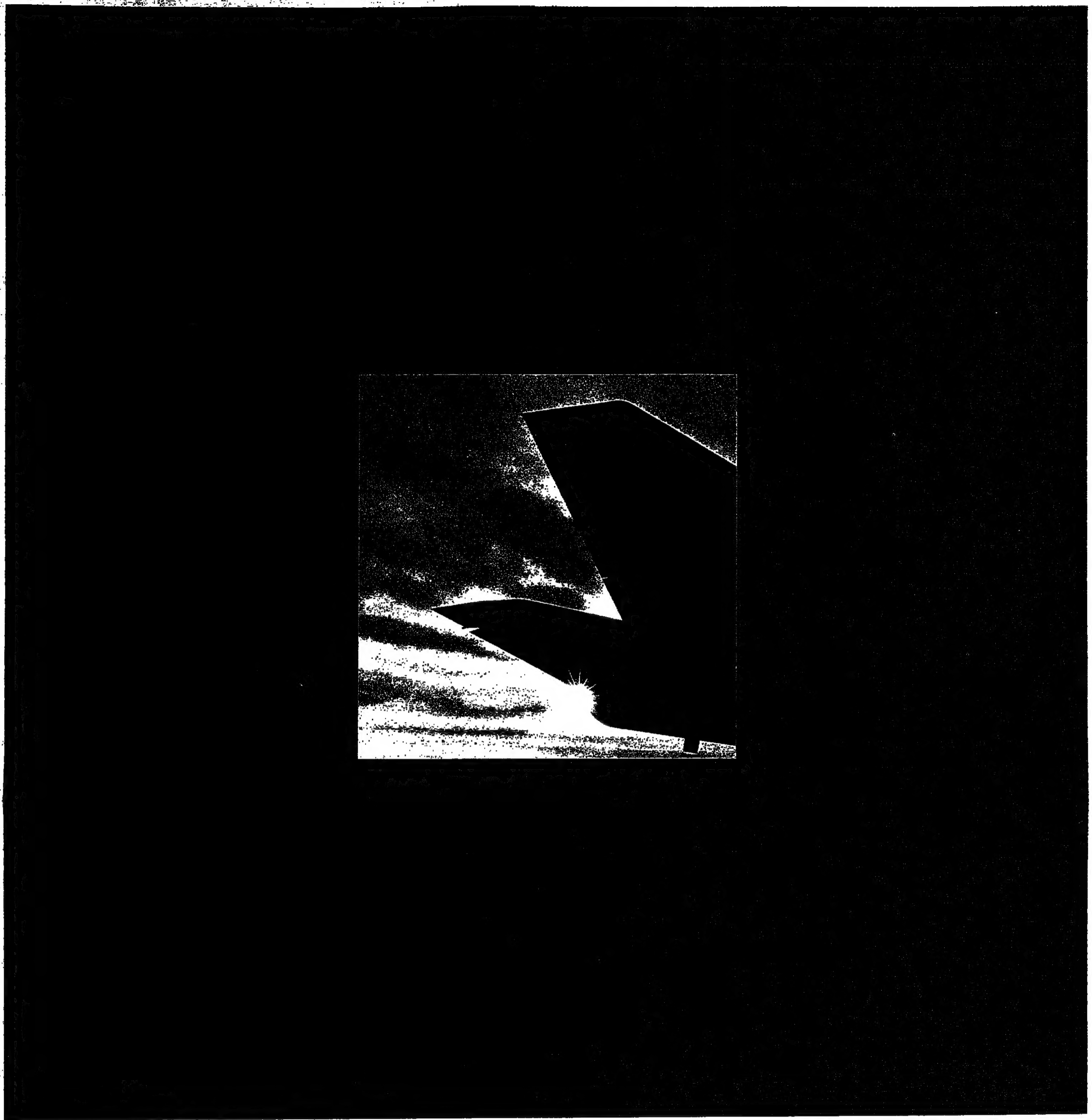
The 1992 David Thomas Prize has been awarded to Dr Olga Speranskaya, above, a 29-year-old ecologist from Moscow. She received the £2,000 prize from Ms Jenny Rossiter, chair of the trustees, at a ceremony at the Financial Times headquarters in London.

The prize has been established in memory of David Thomas, the FT Resources Editor, who was killed in an accident in Kuwait together with Alan Harper, an FT photographer, last April.

Dr Speranskaya, the Moscow representative on the Lake Baikal Regional Ecological Committee whose visit to London is her first trip outside the former Soviet Union, intends to use her prize to travel to the Lake Baikal region to study the extent of the environmental and ecological problems.

Museum plans northern site

The Imperial War Museum is to invest £10m in a new site, with a maritime bias, on former dockland in Hartlepool, its first venture in north-east England.



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ACCOUNTANCY COLUMN

Changing patterns of recruitment repay study

By Andrew Jack

THE RAF can be as lethal in print as it is in the air. A recent recruitment advertisement shows a black-and-white photo of a small boy in long shorts running across a playground, his arms extended like aeroplane wings. The caption reads: "Can you honestly remember anyone playing chartered accountants?"

As graduate recruitment staff in the accountancy firms take breath to reflect on their intakes this year, the legacy of the Monty Python comedy series jibe lives on. However, the message from recruiters planning for the future is no laughing matter for the graduates of the 1990s.

More than a decade after John Cleese ridiculed the profession as "irrepressibly boring and dull" – and moved on to make lucrative management training videos – the tarnished image lingers.

An advert in a recently-published student careers guide from BDO Binder Hamlyn shows a fake brass plaque. On it is etched: "Dull, Grey & Ditchwater. Chartered Accountants." The caption reads: "If you want to be a boring accountant, go and work for someone else."

Such defensiveness may seem surprising so long after the slur surfaced. It should be doubly perplexing given the high level of recruits currently circulating on the job market. It does, however, reflect something of the changing nature of graduates that the accountancy firms are now seeking.

The supply of graduates seeking accountancy jobs has probably never been higher. Price Waterhouse says that last year it had nearly 14,000 applicants. KPMG Peat Marwick estimates that in London alone there have been about 4,000 applications for about 200 openings this year, while nationwide it has nearly 10,000 students applying for some 700 places.

The demand from the firms has been dropping sharply. Ernst & Young hired 650 graduates in 1989. This year the figure is likely to be about 500. At Coopers & Lybrand Deloitte, the number has fallen from about 1,000 in 1990 to 800 this year.

Mr Alan Fawcitt, a careers adviser at Cambridge University, estimates the larger firms have cut back by an average of 25 per cent in 1991 and 1992. "Accountancy is no longer a fall-back," he says. "The firms are being much more selective. They have fewer vacancies, are finishing recruitment earlier, and picking and choosing quality candidates."

That has been good news for the firms, which have been able to attract better applicants than in previous years – although they concede that the best remain highly employable and are still difficult to entice.

Mr Dick Shervington, national recruitment partner at Price Waterhouse, says: "We have been a great deal more selective this year. We had a lot of applications in the autumn, some from people who have not entirely thought through their choice." The firm has set deliberately high standards. "We've been pretty harsh. We have not asked people to walk on water but at least to take a few steps across the Thames."

Even so, he has been surprised by the nervousness of recruits eager to seize guarantees. Price Waterhouse normally assumes a 50 per cent acceptance rate from those offered jobs, and was planning on a two-thirds rate last year given the economic conditions. In fact, nearly 70 per cent accepted nationwide.

Mr Fawcitt agrees that competition between graduates for accountancy jobs has increased. "Quite a number of students have had a shock when they have found they have been turned down," he says. "That has not really happened before in living graduate recruitment memory."

"Everyone recognises that the explosive growth of the 1980s can't happen again. There is a degree of caution now."

The decline in numbers being recruited reflects the the recession. On one hand, the slowdown of the economy has reduced demand for accountancy firms' services, reducing the expansion curve of the past decade. On the other, newly-qualified staff – and others at all levels within the firms – have refused to move to other employment as part of the normal process of wastage.

This has been driven by a contraction in the availability of other financial service sector jobs, and because employees are less willing to take a risk on an outside job when they know that there is less chance of being re-employed by their firm.

It has resulted in widespread redundancies, and a scaling back in the quantity of graduates being taken on in the first place.

The drop in numbers recruited also represents a resumption of a more sustainable level of recruitment, down from an abnormal peak caused by the mergers between large firms in the late 1980s. The firms have slimmed down from an initial period of over-staffing, while the number of students seeking accountancy employment has remained relatively stable.

That leaves a more worrying underlying trend. There seems to be little prospect of renewed job growth, even when the economy picks up. Most firms stress that their current recruitment plans stretch well beyond the recession. "You have got to look ahead three to five years," says Ms Chris Lynch, national recruitment manager at Ernst & Young. "We are recruiting for the future."

Mr Ian du Pré, national recruitment partner at Coopers & Lybrand Deloitte, expects numbers to fall further in the future. He says clients are taking a firmer hold upon the work offered by the firms. They are increasingly vocal about high fees, and expect more focused work from more highly-qualified, experienced staff.

Growing use of technology and more strategic approaches to audit work are reducing the need for armies of junior staff. The traditional pyramid employment structure of the firms – with far more trainees at the bottom than partners at the top – is likely to squash itself more into a rectangle.

"Gone are the Herculean days when we recruited one thousand graduates a year," says Mr David Clifford, national student recruitment partner at KPMG Peat Marwick. "Everyone recognises that the explosive growth of the 1980s can't happen again. There is a degree of caution now."

What remains is becoming more fragmented. The last few years have seen a sharp growth in trainees recruited straight to the tax department. At Coopers, about 10 per cent of graduate recruits study for qualifications other than chartered accountancy, including exams in management accounting, public finance and actuarial science.

One of the more radical schemes has been developed at Grant Thornton, which launched a business adviser trainee scheme for 60 graduates last summer. Those accepted are being offered a fast-track route with the prospect of becoming partners within seven years. Accounting trainees, by contrast, will become back-up staff to this elite, and increasingly shift from graduates to non-graduates.

Those involved in the job market would do well to pay attention to these trends. If the current pattern of accountancy firm recruitment continues, it will place severe demands on those drafting the syllabi of the different professional qualifications to keep them relevant.

It raises the question of who else will employ the enormous number of graduates previously hired by the firms – which only a few years ago represented about 10 per cent of all students entering paid employment.

It also suggests that companies may have to start increasing their own training budgets or finding new sources of skilled staff as the smaller number of recruits offered qualifications through the firms remain loyal to their original employer.

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Interested applicants should write or fax brief career details to Richard Parnell (fax: 071-915 8714) at Robert Walters Associates, 25 Bedford Street, London WC2E 9HP.

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The UK operation, which employs 2,500 staff and has revenues of some £200 million, is a part of the worldwide HarperCollins Publishers which in turn is a major division of Rupert Murdoch's highly successful News Corporation.

As a part of the ongoing drive to improve profitability by effective business management and financial control, they wish to recruit a UK Publishing Finance Director based in the Publishing headquarters in Hammersmith and reporting to the Group Finance Director.

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Manages a team of approximately 30 responsible for financial accounting and control activities, including the preparation of monthly and annual accounts. The role will suit a graduate chartered accountant with a minimum of 3 years' post qualification experience, preferably including line management experience in commerce or industry. Ref: P233.

Please send full personal and career details, including current remuneration level and daytime telephone number, in confidence to Peter Jones, Coopers & Lybrand Deloitte Executive Resourcing Ltd, Abacus Court, 6 Minshull Street, Manchester, M1 3ED, quoting the appropriate reference number.

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The successful candidate will be professionally qualified and have held a range of financial responsibilities. Strong communication skills and the ability to work to dealines will also be important attributes.

A competitive salary package is offered, including company car, 25 days annual holiday and the normal benefits associated with an international company.

To apply, please send full C.V., indicating current salary, to:
Angela Poulter, General Manager - Personnel, Elsevier Science Publishers Ltd, Crown House, Linton Road, Barking, Essex IG11 8JU, by 24th April.

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Opportunities exist for career development to a senior level both within taxation and in other related financial disciplines.

The individual should possess excellent interpersonal and communications skills, self-motivation, commercial acumen, be a strong negotiator and have the presence to interface proactively with key members of worldwide business organisations.

Interested applicants should write to **Chris Nelson** or **Amanda Lawton at Michael Page Taxation, Page House, 39-41 Parker Street, London WC2B 5LH. Tel: 071 831 2000.** During the Easter period please call **Chris Nelson** on **081 785 6191** (answerphone).

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Candidates should have the following qualifications:

- University degree in business, management, computer science or other relevant discipline plus degree in chartered accountancy;
- Good knowledge of both French and Anglo-saxon accounting systems, and at least five years' experience in budget management;
- Experience in the management of computerised accounting and financial systems and in project implementation;
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- Negotiating skills and ability to communicate with members of national delegations and staff at all levels;
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An appointment will be offered for an initial period of two or three years.

Applications from male or female candidates, nationals of OECD Member countries, with detailed curriculum vitae, in French or English, specifying "Budget" should be sent to:

Human Resource Management Division, OECD, 2, Rue André Pascal, 75775 Paris Cedex 16.

Closing date for applications: ***30th April 1992.***

OECD OCDE 1992

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Our client is a US multi-national specialising in the sale and distribution of chemical products. The company has its European Headquarters in The Netherlands which controls an extensive network of offices with a combined turnover of approximately \$250 million per annum. Due to rapid expansion the company has a requirement for a Treasurer to assume control of the European Finance operations.

Reporting to the Corporate Executive Vice President, this senior management position will be responsible for the treasury function, cash management and foreign exchange, negotiation of securities including letters of credit and guarantees and credit control operations. In addition the Treasurer will provide support to operational management in developing financial structures for specific transactions and in evaluating ongoing risk management.

The successful candidate will be aged 30-45 and educated to degree level and preferably an MBA. Experience should include a background in international commodity trading or with a chemicals company.

Interested applicants should write in confidence to **Martyn Smith** giving full career details at **Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LH.**

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FINANCE DIRECTOR

London based: | Package c. £45K+

A major multi-national media corporation is looking for a high calibre Finance Director for one of its largest subsidiaries, based in London. The Company concerned is the leading player in its market and has an outstanding record of constant growth in both sales and profits.

Reporting to the Managing Director, the successful candidate will have full responsibility for the management and financial accounting of the Company. He or she will be expected to be a key member of the executive team and be involved in both short term planning and longer term strategic issues.

The position requires a qualified accountant who is already Finance Director of a medium-sized company – either a UK plc or a multi-national subsidiary – and who is used to a high level of autonomy. A demonstrably successful track record is essential, as is the proven ability to make a commercial as well as a purely financial contribution to the business. Experience of the information/publishing industry would be an advantage and some exposure to business in the US and other overseas markets would also be helpful.

The remuneration package includes competitive base salary, significant bonus potential, company car, medical insurance and pension scheme. Reply to: Box No. A460, Financial Times, One Southwark Bridge, London SE1 9HL.

The smart trolley goes shopping

First there was the smart house, then the smart car. Now comes the smart trolley. It's called the videocart and it could change the way we shop.

The computerised trolley features a small liquid crystal display screen attached to the handle. As the shopper moves round the store, infra-red sensors located in the ceiling trigger radio signals which activate the display, passing information to the consumer.

The first information to flash on to the screen is a floorplan of the store. This is replaced by information specific to each aisle, such as special offers. By pressing a button on the LCD the discount will automatically be sent to the checkout. It can also offer nutrition tips and even suggest possible menus.

For shoppers in a hurry, or those who are not familiar with the store, there is an item locator which works by a simple push-button system. Narrow down the choice until the required item is listed, and the screen will indicate which aisle to head for. This can be done generically or by brand name.

In addition to store information, the LCD shows 10-second commercials. Research indicates that 80 per cent of brand choices are made at the point of purchase. The trolley's manufacturers see this form of advertising as a rival to TV.

The trolley is the brainchild of Videocart Inc, a Chicago-based company which developed it with IBM. Ten supermarket chains throughout the US, including many Kroger stores, are using the trolleys. The company predicts that 2,000 stores will be stocking videocarts by the end of 1993.

"Retail demand for the videocart has been incredible," says Bill Dupre, Videocart's vice president of retail relations. "Retailers like the way it personalises shopping and delivers customer service benefits without increasing labour costs."

Valerie White

Steven Butler explains how a single speck of dust creates havoc with the way liquid crystal displays are made

The art of perfection

NEC, the Japanese electronics company, late last year surprised the electronics industry when it made the almost unbelievable claim that 50 per cent of the colour liquid displays coming off its production line were meeting quality control standards. Fifty per cent yields would be an embarrassment for almost any other industry, especially in Japan where companies pride themselves on rigorous quality control.

But the thin film transistor (TFT) technology used for the colour screens – in which each of the million or so cells, or pixels, that make up a display panel is charged by an individual transistor – was just too complicated. Manufacturers were having to junk more than 80 per cent of everything produced because of blotches on the screens caused by dust. One transistor out of a million, short circuited by a single microscopic speck of dust, was enough to doom a panel.

Progress in the past year by NEC and other companies, however, has raised the prospect that colour LCD screens used for computers and portable televisions may soon be cheap enough to be widely affordable.

Shigehiko Satoh, engineering manager at NEC's liquid crystal display factory in Izumi, on Japan's Kyushu Island, will not name a precise yield figure today, but he says it is well over 50 per cent, and on the way to reaching 80 per cent in the near term. "Each month the production yield is rising," he says.

NEC is shipping more than 10,000 10-inch panels a month and is hoping to cut the price from nearly Y600,000 today to Y60,000 in just three years.

The race for the market has entered full swing. The main stumbling block is no longer how to design screens, but how to make an amazingly complex and delicate device at a price that will allow a mass market to take shape.

The high cost of TFT panels begins with the glass, which must be sodium free, absolutely flat and uniform in thickness. Until recently only Corning, of the US, was able to supply glass of sufficiently high tolerance. NEC has begun to make some glass, and Hoya, another Japanese optical glass company, has products under development.

Atop the glass goes seven layers of various chemicals which act as conductors and insulators, and which are etched with intricate circuitry to carry electronic messages to each of up to 1.3m pixels. The layers must be deposited with absolute uniformity, and an entire panel can be destroyed by a single, microscopic bit of dust. These layers, including colour filters and transistors, are sandwiched between sheets of glass 6 microns, or 6 millionths of a metre, apart – but the tolerance for spacing errors is only 0.02 microns across the entire 10-inch surface.

Masamichi Shiraishi: wants to produce yields of 100 per cent

The manufacturing difficulties and the procedures resemble those for semiconductors. The difference is that while a flaw on a silicon wafer may cause failure of one of several hundred chips processed at the same time, a single flaw on an LCD screen destroys an entire panel by shorting the circuits and producing blotches on the screen.

Many of the precise technologies by which Satoh has lifted yields at NEC remain secret, and the secrecy that shrouds other manufacturers operations makes it impossible to say how much of a lead, if any, NEC has achieved. At Display Technologies, an IBM-Toshiba joint venture, yields have been raised from a miserable 8 per cent in the first month of production last September to about 40 per cent today. Yet it is plain that NEC's success owes less to any single trick than it does to persistent attention to the intricate details of a complex process.

Each piece of glass, each worker, and each machine are bar coded and constantly monitored by computer. When a semi-finished panel emerges from the first, most sensitive processes involving chemical deposition and etching, it is tested. Precisely how this is done, even before driving circuitry is attached, NEC will not say. But it means that the computer can ferret out any abnormalities in the process, and statistically trace any offending machine, employee or material.

It also saves NEC from proceeding needlessly with the difficult process of attaching driving circuits – the wire leads by which the panel can be attached to other electronic equipment – to a faulty screen.

Engineers from equipment manufacturers have spent months at the plant trying to understand why one machine should achieve higher yields than another. Days are spent monitoring the movements of individuals, to try to understand why two different workers on the same machine should achieve such different results. Satoh now hopes his employees do not sit down, because this simple movement releases a cloud of invisible particles that can destroy thousands of dollars of products.

NEC engineers at Izumi are now locked in debate. A building has been razed next to the Izumi factory, and Y30bn has been budgeted to build a new colour LCD plant that will produce 12- and 14-inch screens beginning next year.

Yet Masamichi Shiraishi, president of NEC Kagoshima (the local subsidiary) has asked Satoh to achieve 100 per cent yields in the new plant, a target that Satoh believes is probably impossible. Even to come close to the target will demand complete rethinking of the production process and total automation. This would eliminate the biggest source of contamination – human intervention.

Yet to reorganise from top to bottom a complex production process that has been demonstrably successful involves big risks. Most of the machines that Satoh and suppliers like Nikon and Anelva have worked so hard to fine tune will probably have to be scrapped.

Rather than think of the process as a series of discrete operations performed sequentially, engineers would have have to devise an integrated process from scratch. The risks would plainly be great, but given the rapid growth in demand for LCD devices, so too would be the rewards.

A previous article on liquid crystal displays appeared on Tuesday.

Bright ideas play a game of chance

By Clive Cookson

This is the saga of an invention made 10 years ago in a medium-sized UK metals company, sold on to a group of a investors in California, taken up for a while by an international chemicals group – and now brought back to the UK through venture capital funding.

The invention, Ebonex, is a black ceramic material that should have a vast range of electrochemical applications, from batteries to biological implants. It conducts electricity well and is chemically stable and non-toxic.

Ebonex may at last be on the brink of profitable exploitation. Its story so far illustrates the way in which the different attitudes of large and small companies, investors, lawyers and regulators can facilitate or frustrate the commercialisation of intellectual property.

Peter Hayfield, a scientist working at IMI, discovered the properties that make Ebonex (a suboxide of titanium) such an excellent material for electrodes. The first application he had in mind was to heat large quantities of custard in institutional kitchens, by passing an electric current through the custard between Ebonex electrodes.

Some IMI managers wanted to develop Ebonex within the company but the board decided that, as a metals manufacturer, it should not devote resources to developing a ceramic. So IMI sold the patent rights to a group of 75 investors in California who set up a new company, Ebonex Technologies Inc (ETI), to exploit the material.

The Californian group found it difficult to raise the full purchase price and brought in ICI, the UK-based chemicals group, as a partner at the end of 1986. ETI generated considerable interest in Ebonex during the following three years.

However, the first application planned for Ebonex – chlorine generation for swimming pools – was not a commercial success, and the company could not develop any other revenue-earning applications before reaching the limit of capital investment ICI had set for it.

So in 1990 ETI went out to raise investment from new sources. It negotiated with several companies that were interested in buying Ebonex technology, including Heraeus, a German materials group.

The ETI board came close to agreeing a deal with Ampersand, a US venture capital group, but agreed to give the management team, headed by Robert Clarke, time to put together a counter offer which would bring Ebonex back to the UK. Clarke was keen to exploit Britain's low manufacturing costs and strong technical skills.

Venture capitalists like to say how important personal contacts are in their business. But these had nothing to do with the way ETI and its UK venture partner, Korda & Company, got together. Clarke simply got Korda's name from the British Venture Capital Association directory and made a "cold call" to Korda's London office last July.

The ETI team liked Korda's flexibility and willingness to accept risk. "Some of the other people I saw had an overriding fear of failure," says Clarke. Korda was sufficiently excited by the innovative nature and commercial potential of Ebonex to grapple with the complexities of seeking consent for the financial restructuring from 75 individual Californian investors, as well as ICI and a very demanding state Department of Corporations. Six months of legal negotiations in California reinforced the view of Carolyn Hayman, Korda's joint managing director, that the US legal culture is "a significant obstacle in building constructive business relationships".

Venture capitalists like to say how important personal contacts are. But these had nothing to do with the way ETI and its UK venture partner got together

The legal fees ran over the $50,000 set aside for them, but eventually last February the deal was completed. ETI has emerged with a new name, Atraverda, and an initial £250,000 investment by Korda for 30 per cent of the business. Hayman expects to invest at least £750,000 more in the near future.

The challenges now include: bringing in revenues rapidly from selected electrochemical applications of Ebonex; securing immediate supplies of the material from a subcontract manufacturer in the US while setting up in-house production facilities; strengthening patent protection; and identifying the most promising future applications.

ACCOUNTANCY APPOINTMENTS

ORIFLAME INTERNATIONAL

POLAND/HUNGARY

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These developments necessitate recruiting western trained finance managers with local language skills (essential for Poland) or relevant experience. The role will encompass:

- Establishing a Western Style accounting system
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- Cost Accounting and Tax Issues
- Foreign currency reporting
- Training of local staff
- Ad hoc general financial management

This is an exciting role and an opportunity for a dynamic "hands on" accountant to gain first hand commercial experience in a developing country with an international FMCG group. It is important that interested applicants must be able to demonstrate their ability to resolve issues within a working environment which is predominantly "non-western" in culture. This is a career role with outstanding opportunities for future development, promotion and travel.

Please send your CV in confidence, or telephone Kevin Wright at:
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Africa House, 64 - 78 Kingsway, London, WC2B 6AH
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When fact and forecast are polls apart

Guy de Jonquières says that far more than the professional pride of Britain's psephologists has been dented by the poor showing of their predictions in the general election

Market research specialists have long had an *advantage over* ordinary businessmen. While other executives relied on logic, experience or plain intuition, market researchers could claim they had science and the numbers on their side.

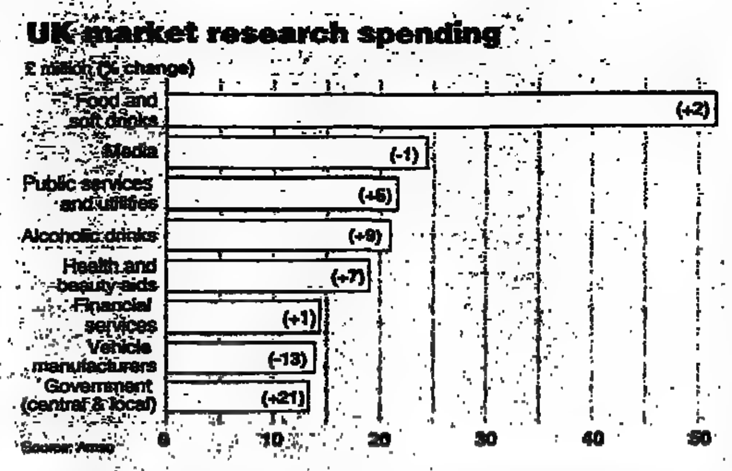
Until last Thursday, that is, when Britain's general election result confounded the pollsters' findings. Though political polls are a sideline for the agencies which conduct them – done as much for publicity as for profit – many in market research fear the consequences could be far-reaching.

"There is a grave danger that the whole profession will be called into disrepute," says Lynne Todd, market information and development manager at Cadbury, Britain's biggest confectionery maker.

The Market Research Society, the industry's professional body, evidently shares her concern: it has launched a crash inquiry into what went wrong. Far more than professional pride is involved. Britain's market research industry is among the biggest in Europe, valued at £425m a year.

Just over half of that is accounted for by about 400 market research agencies, which sell their services to corporate and government customers, and the rest by the latters' in-house experts.

UK market research spending



The industry fears that business may now be harder to come by. No desertions have been reported yet, but some corporate users of market research say last Thursday's debacle has raised doubts about its value.

"We learned long ago to be sceptical when our marketing people say we must launch a product because surveys show consumers would love it," says the head of a leading UK drinks company. "We shall be even more sceptical in future."

Ivor Crewe, professor of government at Essex University and a leading psephologist, thinks the pollsters have good reason to be worried.

He says they have deliberately turned political polls into an advertisement for their research skills and the benchmark by which they are measured.

"There are very few other occasions when a relatively objective test is available. If market research tells a toothpaste manufacturer that 50 per cent of people prefer green stripes and 30 per cent red stripes, how can the company know if it is true?" he says.

Some in the firing line are looking for ways to spread the blame. Bob Worcester, chairman of Mori, whose frequent television appearances have made him Britain's best-known pollster, accuses the media – particularly the broadcasters – of misrepresenting poll findings.

"I've said on virtually every occasion that polls are a snapshot of opinion – they don't predict," he says.

"There is no case other than a British general election when we are expected to predict the future and to do so within a decimal point. Only the media expect this."

But other experts think such arguments are a cop-out. Lynne Todd of Cadbury says that after years of working with the media, pollsters should be well aware how their work is presented.

Crewe points out that all political pollsters present their eve-of-election findings as forecasts of the outcome and that Worcester has boasted of the accuracy of the opinion polls in foreshadowing past election results. "Bob really is trying to have it both ways," says Crewe.

Nonetheless, there is widespread agreement that the techniques and use of market research differ between political and business applications. Few, if any, large companies rely on it for forecasting.

"We use it to find out the needs of our customers, what's on their minds," says Barry Hill, marketing vice-president at American Express. "We would never ask it to predict whether a particular product would be a success."

Headline statistics and margins of error are also far less critical for business users, many of whom are more interested in longer-run trends. "It very rarely happens that if the result of a survey is 54 per cent we do one thing, but if it's 55 per cent, we do another," says Alan Ellerton, market planning manager at the Argos retail chain.

Furthermore, though many large companies put much effort into analysing market research findings, none would base an important decision on them.

"Market research is an aid to judgment, not a replacement," says Bill Young, marketing director of Lever Brothers, the detergents company.

Often, he says, more valuable insights can be gained by assessing a new product's performance on foreign markets, studying broader consumer trends, or simply strolling around a supermarket.

Young says that some Lever Brothers' products have succeeded *even though market research* pointed to a poor response.

Experts also say opinion surveys for businesses are more tightly structured than political polls, defining target groups, allowing for regional variations, filtering out misleading responses and double-checking results.

Sue Stossel, director of the Market Research Society, says this is partly because most business users know precisely which markets they are interested in, while political polls "are looking at anyone who's got a vote".

But she concedes that cost is also an important factor.

Nigel Jacklin of RSL, which carries out the National Readership Survey, says this project involves far more time and money than any market research agency can afford to spend on election polling. Only by joining forces could the political pollsters command resources on that scale.

That is an option they may need to consider if they hope to be taken seriously at the next general election.

However, judging by the tremors of anxiety coursing through the market research industry, it must act well before then to reassure the business customers on which it depends for its bread and butter.

The medium is not the message

Gary Mead looks at the lessons for promoting political parties

The 1992 British general election serves as a healthy reminder that communications is more black art than well-crafted logic.

The Liberal-Democrats had almost as much free media coverage as the two leading parties. They came a poor third. Labour (once more) was widely tipped to scoop the Oscars, thanks to positive advertising and consistent design. It did worse than most observers expected.

The victorious Tories were widely accused of being lacklustre and unimaginative, using negative images – tax bombshells and ball-and-chains – shifting at the last minute to an upbeat promotion of a smiling John Major.

Any post-mortem should take note of the parties' relative promotional spending. But according to the Conservative communications team, they spent just £3m on all communications (including press advertising, posters and election broadcasts) – less than a third spent in the 1987 election.

At the start of the 1992 campaign, Central Office officials hinted that they had a £20m fighting fund; that now appears to be a tactically placed exaggeration.

According to Concord Posterlink, a specialist outdoor buying agency, political posters accounted for 17 per cent of the £2.7m roadside advertising spend during the four weeks of the election.

The Conservatives took a 56 per cent share, against 28 per cent for Labour and 6.5 per cent for the Lib-Dems. Labour spent an estimated £1½m on press advertising; the Conservatives claim to have used just £1m.

In any case, cash is not everything; Haagen-Dazs ice cream (owned by Grand Metropolitan), was launched mid-1991 on an advertising budget of just £300,000. It now has a 20 per cent share of the UK dairy ice-cream sector, selling more than twice its two nearest competitors combined.

If marketing style meant victory, then Labour's final campaign rally in Sheffield – all glitz and glamour – should have clinched things.

But for some of the Labour's communications team, the election result was a shock, though perhaps not altogether a surprise. The team of 25 came from two main sources; unpaid volunteers working after-hours from the agency BMP DDB Needham – led by Chris Powell, 25 years a Labour party member – and from Philip Gould Associates.

Labour's team held daily "quality research" sessions with groups of some 10 undecided voters. According to one senior member, that research indicated that the "undecideds" were "greater in number than usual and were Tory in their values – that was consistently the case throughout the campaign".

On one issue Labour and Conservative communications people agree – Labour was sunk by tax. "It was clearly a mistake for Labour to have tried to fight a campaign by promising tax increases; that saddled the marketing of the campaign with an uphill task," said one of the shadow communications staff.

Shaun Woodward, the Conservative director of communications, agrees. "The shadow budget was a gift for us".

One key member of Labour's advertising team believes that the Tories' "Tax Bombshell" image was effective. "The message got home. But to attribute the success of an election to an advertising agency would be ludicrous."

The tax bombshell, like most of the Conservative images during the campaign, gets no prizes for subtlety. But Woodward says "the role of advertising is over-emphasised – you win elections because people think you have got the right policies. Labour lost because they allowed the backroom boys to take over from the politicians."

David Hill, Labour's communications director, blames a vituperatively anti-Labour tabloid press. But he agrees that the party under-estimated the electorate's mistrust of Labour and failed to grasp how far "Thatcherite individualism" has seeped into mass sentiment.

Bill Muirhead, chairman of Saatchi & Saatchi and one of the leading figures of the Conservatives' advertising team, says: "We weren't swayed by adverse media opinion. We had pinned to the office wall a large notice which read: 'Hold fast to the basic idea. Do not give in to the pressures of the moment.'"

Alasdair Ritchie of TBWA-Holmes Knight Ritchie, the Liberal-Democrat's agency, adds: "Why should we think that advertising should be that influential?"

However, one thing is emerging from the inquest, which is, as Woodward puts it: "You start fighting the next election the day after winning the last one."

Cash is not everything: the hugely successful Häagen-Dazs ice cream promotion (left) was launched on a £300,000 budget while this year's Conservative marketing budget for the election was £3m

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ASSERTIVENESS AT WORK
A Question of Confidence

In London on Wednesday 6th May 1992,
at The London Marriott Hotel, Grosvenor Square,
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In Surrey on Tuesday 12th May 1992,
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- OBTAINING INFORMATION WITHOUT BEING FOBBED OFF OR CAUSING RESENTMENT.

Context Training Ltd has pioneered assertiveness training in the UK for people at work. It is now recognised as the country's leading training company specialising in this area. Many thousands of managers and specialists, including a substantial number from the financial sector, have attended its workshops, including ones designed to meet the specific needs of organisations, both in the UK and overseas.

Ken and Kate Back have published many articles on assertiveness and their book 'Assertiveness At Work' has sold over 60,000 copies worldwide. They have also appeared on various television and radio programmes about assertiveness.

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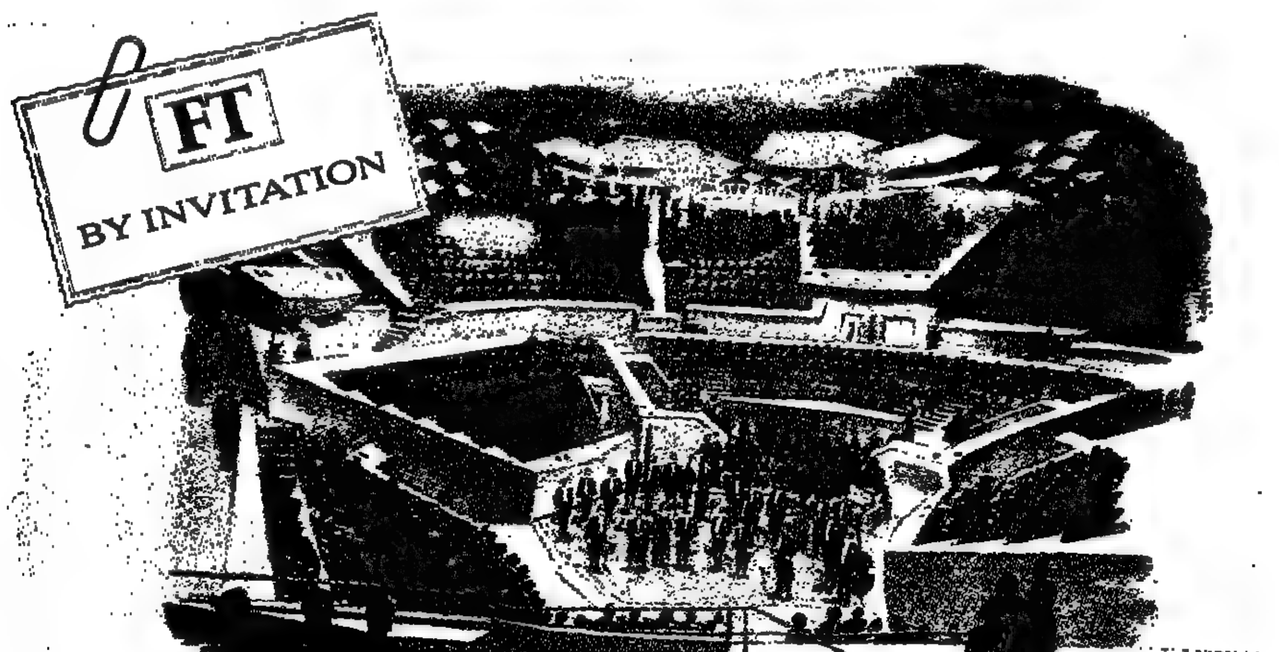

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BUSINESS LAW

Agents: the regulation revolution

By Stephen Sidkin

Few EC directives aimed at harmonising national laws for the single market are likely to have as profound an effect as the self-employed commercial agents directive.

The draft Commercial Agents Regulations are the UK Department of Trade and Industry's attempt to implement the directive. But the DTI recognises the upheaval that the Regulations will mean for many UK businesses. The Regulations are therefore unlikely to come into effect before the January 1 1994 deadline set by the European Council.

Nevertheless, as this date is little more than two years away, and the changes will apply to all commercial agency agreements in force at that time, UK businesses which act as agents or use them need to plan for how the Regulations will affect their operations.

Last autumn, for example, Glaxo concluded six agency distribution agreements with five wholesalers. Instead of buying and selling at a profit, an agency fee will be paid to these wholesalers. How long will these arrangements last?

One clothing manufacturer, Mariett, is engaging agents under appointment letters only until the Regulations are formalised.

Similar actions are expected in other industries, in particular in certain parts of food manufacturing and jewellery.

The Regulations impose duties on principal and agent which are either broadly similar to the common law position or make good sense. For example, requiring the principal to provide his agent with the necessary documentation and information for the performance of the contract.

Such duties should not create too many difficulties for principals except in industries where documents are scarce. But the Regulations go further. A principal will have to notify his agent as soon as he expects that business volume will be significantly lower than the agent could normally have expected.

Separately, a manufacturer will also be required to inform his agent of his acceptance, refusal or non-execution of business arranged by the agent. The agent will therefore have to be informed of any omissions by the principal in completing a transaction.

All provisions on the rights/duties of principal and agent will be mandatory – it will not be possible to contract out.

There will also be express provisions on the agent's remuneration where the contract is silent on this subject.

Transactions on which commission is payable to an agent will fall into two categories: those concluded during the period of the agency; and those concluded after the agency has been terminated. *This is a new* concept in English law.

Commission will be payable to the agent provided:

● the transaction is mainly attributable to the agent's efforts during the period covered by the contract and was entered into within a reasonable time after the termination of the contract. No cut-off point is specified for transactions entered into after termination of the contract. Express contractual provision will therefore need to be made in respect of commission payments after termination if the possibility of dispute as to reasonableness is to be avoided;

● the order for the goods reached the principal or the agent before the contract was terminated and the agent would have been entitled to commission had the contract not been terminated.

The Regulations also state when the commission will become payable. These provisions increase the burden on a principal of paying his agent. He will no longer be able to delay payment merely because he has not himself been paid by the customer. On the contrary, when a commission falls due, a principal will have to pay his agent not later than the last day of the month after the end of the quarter in which it became due.

The agent will also be entitled to a statement showing how the commission has been calculated and access to all the information necessary to check it. To avoid disclosing embarrassing or confidential information, the principal will need to maintain records solely for the purpose of enabling commission to be calculated.

Commission will be lost if, through no fault of the principal, no contract between the customer and the principal is completed. But, again, radically, the Regulations will provide that if a principal is indemnified for non-perfor*mance of the contract, (for* example, under an insurance policy or guarantee), his agent will not lose the right to commission.

Regardless of any contrary agreement, either party will be entitled to receive from the other a signed written statement setting out the terms of the agency contract, including terms subsequently agreed.

An agency entered into for an indefinite period will be capable of being terminated by either party giving written notice to the other. But the period of notice will not be less than one month during the first year of the contract, two months during the second year and three months during the third and subsequent years of the contract. Alternatively, the parties can agree on a longer period of notice. However, it will not be possible for that period to be shorter for the principal than for his agent.

The most controversial departure from existing English law will be the agent's right to compensation on termination of the contract. Compensation will be payable if the principal terminates the contract (except as a result of the agent's breach). Compensation will also be payable if the agent terminates the contract as a result of the principal's breach or because of the agent's inability to perform the contract (for example, because of illness), or because of frustration of the contract.

Compensation payable will cover losses, liabilities, costs and *expenses incurred as a* result of termination of the contract. Compensation will take into account the commission that would have been earned had the contract been properly performed, and the principal derived substantial benefit from the agent's acts.

Compensation will also take account of the agent's costs and expenses incurred on the principal's instruction, which he has not been able to amortise. Compensation will not to *be payable if the agent trans*ferred his contractual rights or duties to another person.

A written claim for compensation will have to be given to the principal within one year of the termination.

Restraint of trade limitation clauses in agency contracts will also be introduced by the Regulations. Validity will necessitate their being in writing, reasonable, limited to a two-year period, and relating to the geographical area, customers and the kind of goods in respect of which the agent has a right to act.

These provisions concerning contract termination have been a part of the law of certain EC countries for some years. In significant ways the provisions are comparable to those in respect of unfair dismissal remedies under English law.

Amendments may be made to the draft Regulations before they come into force. But amendments will not alter the fact that, for many agency contracts, the regulation of agents will be turned upside down.

The author is a partner of City solicitors Fox Williams.

PEOPLE

de Carmoy turns his hand to rent-collecting

Having tried his hand at running an American and British bank and Belgium's biggest holding company, Hervé de Carmoy, the globe-trotting French banker, has moved into the property business. He has been appointed non-executive deputy chairman of the privately-owned Gross Hill *Properties, which is believed to* be Britain's biggest investor in freehold residential ground rents.

Michael Gross, who set up the company in 1983 in partnership with Hill Samuel Bank, says that the 55-year-old de Carmoy has been a close friend for 20 years. De Carmoy began his banking career with Chase Manhattan in the early 1960s and rose to become its general manager for Western Europe. It was during this period that Gross came to know de Carmoy through business deals he did with Chase.

This latest appointment comes a fortnight after Gross bought out Hill Samuel's stake in his company. De Carmoy has also been appointed non-executive deputy chairman of Sydney & London Properties, a joint venture between FAI Insurance Group of Australia and Gross Hill, established in 1987. It invests in commercial properties and has gross assets of around £100m.

The arrival of de Carmoy on the board of Gross Hill and its associate should enhance the credibility of this little known property operation at a time when the property industry is going through a particularly difficult period. Having made his mark first at Chase Manhattan and then at Midland Bank, where he was head of international banking, de Carmoy went on to become chief executive of Société Générale *de Belgique in 1988. However,* since he stepped down from this last post he has kept a low profile, although he does sit on the business advisory board of the European Bank for Reconstruction and Development headed by fellow Frenchman Jacques Attali.

Departures

■ Alexander Stephen has retired from MURRAY Income Trust, Murray International Trust, Murray Smaller Markets Trust and Murray Ventures. Sir William Coats is also retiring from the first three.

■ John Delaney and Eric Hollis are resigning from SECURITY SERVICES.

■ Wallace Stein and David Hughes are to leave BALTIC.

Constructive careers

■ David Steer has been appointed commercial director of McCARTHY & STONE's south east region.

■ Richard Gardner has been *appointed chief* executive of Maybrook Properties, the property division of CROUDACE, following the retirement of Dennis Sleeman.

■ Jim Martin, chairman of the Scottish Chartered Institute of Building, is appointed design and construction director of LAING SCOTLAND.

■ Pat Moore has been promoted from deputy md to md of Birchwood Concrete Products, part of the BM group, following the retirement of John Nutter.

■ John Hockley (below), a director of Laing London, is promoted to md of HOLLOWAY WHITE ALLOM.

From a Duke to a Prince

Jimmy James, a veteran of the Duke of Westminster's Grosvenor Estate, and a director of the Royal Bank of Scotland, is to take over the management of the Duchy of Cornwall for the Prince of Wales from July next year. He succeeds David Landale, who retires then.

Officially entitled "Secretary and Keeper of the Records of the Duchy", James will be *familiar with the Prince of* Wales's philosophy in forming policy for the management of the land, residential and commercial property because he has been on the Prince's Council, the Duchy's governing body, since 1984.

Whatever he may think about such challenges as Poundbury, the model country town Britain's future king wants to build in one corner of his land, James comes to the Duchy at 57 as a hard-nosed *real estate manager who is* credited with helping to bring Grosvenor into the modern world. A chartered surveyor by training, he joined the Grosvenor Estate in 1961, and, since 1971, has been executive trustee for the Estate's interests in Britain and overseas.

Family footsteps lead to Prague

Bob Kralovetz, the newly-appointed regional managing partner for central and eastern Europe for Arthur Andersen, the accountancy firm, is returning to his roots as he takes up his new position in Prague.

With 300 staff in offices in Budapest, Moscow, St Petersburg, Warsaw and Prague, and new ones soon to be opened, the firm decided it was time to install a partner permanently in the region to co-ordinate its future growth.

Kralovetz comes from Wisconsin, but his family emigrated to the US from Czechoslovakia in the early 19th century. He says that while he considered working from London or Vienna, the need to be close to the new offices, plus the beauty of the city and his family connections steered him to Prague.

He estimates the number of professionals under his charge will grow by more than 50 per cent a year during his initial five year term, and hopes that – in spite of high development costs – the firm will be generating profits in the region before he leaves.

He says the greatest demand for the firm's services currently comes from its existing global clients which are examining investment opportunities in the area. Andersen is also trying to provide assistance to large indigent companies and small, local entrepreneurs.

A new office is likely to be opened in Kiev within three months, and preparations are already in hand for Riga and re-opening operations in Zagreb. Over the next year, Sofia and Bucharest are also on the agenda.

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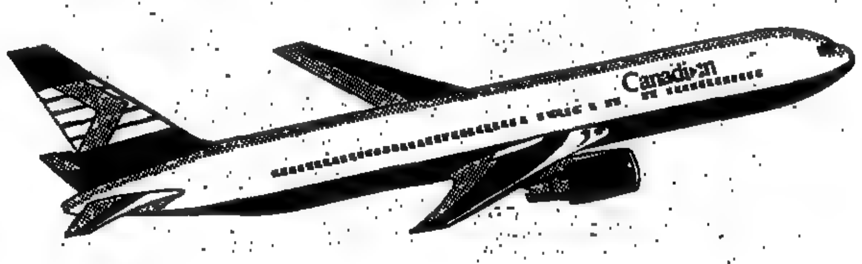

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THE NEW NORTH EAST

ARTS

Jean Marc Barr plays Leopold Kessler, a bespectacled young American, in Lars Von Trier's train movie, Europa

Cinema/Nigel Andrews

Trans-Europa success

Orson Welles, summoned to Hollywood to make *Citizen Kane*, called cinema and its paraphernalia the "greatest train set a boy ever had." Cue the greatest love affair the cinema ever had.

Before and after Welles's dictum, the "rolling stock" of film through a camera or projector found a poetic rhyme in the rolling stock of trains trundling through exotic landscapes. There is a rhyme too in the very experience of filmgoing. *Out there through the train* window (the movie screen) unfolds the changing world. In here in the well-upholstered carriage (the auditorium), we the audience sit serene, attentive and invulnerable.

Lars Von Trier's *Europa*, a train movie that would have thrilled Welles, is a mad, mad, mad, mad box of tricks. Into Germany at the end of World War 2 comes a gauche bespectacled young American (Jean-Marc Barr) hoping do his bit for the Marshall Plan. With his railway superintendent uncle's encouragement he will become a train guard and help to re-knit the damaged arteries of a defeated land.

But he reckons without the 'Werewolves': Nazi-sympathising terrorists who plant bombs and recruit pretty women like Barr's new girlfriend Barbara Sukowa. And he reckons without the sinister liaisons *between guilty ex-Nazis like* Sukowa's railway tycoon father and carpetbagging American officers like General Eddie Constantine. This veteran Franco-Yank actor, who looks *more* weirdly majestic with each movie, now resembles a bullfrog seen through a magnifying glass.

The third thing the hero and we reckon without is the blizzard of visual and dramatic effects director Von Trier hurls at us. The movie is in black-and-white and colour, often at the same time. The camera passes through walls, descends through solid floors or moves from a house into a train with no visible "cuts". Multiple back-projection creates a 3D-like "layering" of scenes. And the film abounds in gloriously clever ellipses like the shot in which Barr and Sukowa, romancing on a midnight bridge, turn to the sky and water behind them, which then "dissolve" into the giant face of the priest officiating at their marriage.

Is it all just fun and flamboyance? The Dane Von Trier, who won a Jury Prize last year at Cannes and whose first film *The Element Of Crime* was a delicious Borgesian bagatelle, has enough fresh stylistic ideas to keep European cinema going until the next ice age. But *Europa* is also a cunningly crafted parable about Europe Now disguised as Europe Then. The broken boundaries and human flux in 1945 are much the same as those in 1992; only the historical crisis has changed.

As Babel-like tongues battle to be heard on the building site of a new continent, *Europa*'s gaggle of French, German and American actors for once vindicates Euro-pudding casting. Cultural *confusion* is the *point* in this film. And the gathering of the plot-threads into a train-bound climax, as clocks and bombs tick towards Judgment Day, makes not just for a satisfying thriller but also for an emblematic image of historical countdown.

Trundling on rails of genius through stations of moviegoing bliss, *Europa* is in all senses – all *good* senses – the sleeper of the year.

* * *

The Euro-pudding problems solved by *Europa* are more obdurate in *Voyager*. German director Volker Schlöndorff, adapting Max Frisch's novel *Homo Faber*, appoints an American hero (Sam Shepard) and looses him across the globe with a mid-life crisis, a French girlfriend (Julie Delpy) and memories of a German-Jewish old flame (Barbara Sukowa) now living in Greece. Before the pudding is fully set alight, a flags-of-all-nations supporting cast is stuck into it. As a result, the deliriously itinerant story – which includes an ocean voyage, a trans-Europe car journey and a plane crash – finds a storm of subtitles or foreign accents in every port.

But then what would you expect from a director whose agent must have a sideline as a travel agent? Since winning native German acclaim for *The Tin Drum*, Schlöndorff's films have been made in Beirut (*Circle Of Deceit*), Paris (*Swann In Love*) and New York (*Death Of A Salesman*). Somehow *Voyager* still has an intermittent wit and power. Perhaps it is the ironic awareness of rootlessness in the title and the sly jokes about a planet colonised by the transport industry. (The air stewardesses still announce "Tonight's meal is. . ." when their passengers are squatting in the desert around a shattered fuselage.) Or perhaps it is Mr Shepard, harmonising diverse locales with the laconic, iconic grandeur he brought to *The Right Stuff*.

Indeed if you can take the warring-tongues dramatis personae and the dotty ending – snake bites and dynastic revelations worthy of Aeschylus – *Voyager* is oddly likable. In Columbus year it reminds us that when man discovered the world was round, he also discovered that human problems are shared and circular in whatever place and with whatever accent they are found.

Final Analysis, starring Richard Gere and Kim Basinger, is a mystery thriller. The thriller part is about a psychoanalyst who falls for a beautiful murderess. The mystery is why it ambles on for two hours without once raising the hairs on our spines.

We are in a moody, glossy San Francisco designed by Dean Tavoularis of *The Godfather* and photographed by Jorden Cronenweth of *Blade Runner*. Every plot device you can think of is lobbed at us by director Phil Joanou (*State Of Grace*) and writer Wesley Strick (*Cape Fear*): courtroom scenes, two sexy sisters sobbing on the shrink's shoulders (Basinger's sibling is Uma Thurman) and a climax atop a sinister lighthouse stylishly mocked up by Mr Tavoularis near the Golden Gate Bridge.

Yet almost none of the film works. Partly because Basinger's femme fatale is about as interesting as a stocking advertisement come to life. Mainly because there are so many tic-like nods to other movies – *Saboteur, Vertigo, Jagged Edge* – that the film resembles an overanxious chicken browsing around the filmic farmyard shortly before being taken off to get the chop.

Speaking of which, was it not Charles I who walked and talked two hours after he was beheaded? This is not a historical fact, I know, but a schoolboy solecism. But I recalled it during Percy Adlon's *Salmonberries*: a strange Sapphic romance between a chattery dyed-blonde German emigrant (Rosel Zech) and a taciturn androgynous Eskimo (k.d. lang). It takes place in Alaska, with a short trip to Zech's Berlin, where she re-traces her husband's death in a wartime shooting.

The tableau-vivant style of Adlon's *Sugarbabies* and *Bagdad Cafe* is here married to a travelogue lyricism. The Alaskan snowscapes are gorgeous: wall-to-wall Melvillean whiteness tinged with sunset pinks and scored for distant wolf howls. And Miss lang, a Canadian singer-songwriter in love with lower-case lettering, is an iconic contrast to Zech's peroxide excitability. But eventually we ask, Where is it all going? And the answer returns, Nowhere. It walks and talks. It even enjoys the scenery. Yet two hours later it is as inert and silenced as the late King Charles.

Stop! Or My Mom Will Shoot, a "comedy" directed by Roger Spottiswoode of *Turner And Hooch*, is a piece of germ warfare from Hollywood designed to empty or quarantine British cinemas over Easter. Sylvester Stallone is the L.A. cop who needs a new partner, Estelle (Golden Girls) Getty as his Mom accidentally becomes that new partner. Ho ho. Lots of chases, pratfalls and senior citizen gags. I laughed once, when I remembered a good joke from another, similar and better film.

EUROPA
Lars Von Trier

VOYAGER (15)
Volker Schlöndorff

FINAL ANALYSIS (15)
Phil Joanou

SALMONBERRIES (12)
Percy Adlon

STOP! OR MY MOM WILL SHOOT (PG)
Roger Spottiswoode

Royal Opera House, Covent Garden

The Fiery Angel

Max Loppert

The stage is a bare box. Two parallel bars are tracked around the midriff of its walls: they provide home base for the troupe of male athletes in jockstraps who emanate out of the action like human ectoplasm. Much of the time they hang in poetic near-motionlessness from the bars, powdered ghostly white to evoke figures in a cathedral frieze magicked into dramatic half-life.

Then, at the faintest hint of obsessive passion or frenzy from the characters on stage down below, they surge from their eyrie into silent animation, hovering at the characters' heels like plague dogs, registering each frisson of disturbance like curves on a demonic seismograph. In the scene of convent exorcism that forms the opera's finale, they scuttle through the lines of nuns, taunting and provoking them in sinuous leaps and bounds, dragging their habits off, staging a mad, controlled riot.

They are devils made theatrical flesh; they are played by the Maryinsky Acrobatic Troupe from St Petersburg; and they are the central invention of the Royal Opera's superbly original and imaginatively daring new production of Prokofiev's fourth opera (shared with the Maryinsky theatre, where it was first shown last December).

The theme of *The Fiery Angel* is the demonic possession of its heroine, and the havoc she wreaks on those who cross her path. By discovering a form at once material and symbolic for that possession, David Freeman (producer) and David Roger (designer) have found a *method of articulating the* supernatural that proves instantly comprehensible on its own terms, simple and potent in its music-theatre logic, and capable of rich response on many levels.

Freeman has achieved, indeed, a piece of "naive" theatre – based upon few props, plain costumes and an admirably fluid manner of scene-change – that ranks with the very best of his work in London, and with the most exciting opera-theatre the city has seen and heard in recent years. *The Fiery Angel* has until now counted as perhaps the most significant missing link in the London chain of 20th-century masterpieces – regularly inserted into and then removed from the schedules of both London companies, and given previously only a single Sadler's Wells outing (1965) by the New Opera Company and a single, magnificent concert performance at last year's Albert Hall Proms.

Beyond all its visual thrills, the success of this first Covent Garden production lies in the way it forces even the most knowledgeable of *Fiery Angel* devotees to re-consider the work's supposed flaws – its discontinuous plot-unfolding, odd-shaped structure, primitivist approach to characterisation, and unreasonable demands on singers and players alike.

The staging allows both a "modern" and a mystery-play context for the figure of Renata, an irrational, vision-haunted outsider in a rigidly controlled society; it makes for continuously gripping opera-theatre. No fixed solutions are contrived for all the difficult questions of theme and substance, yet all seems lucidly realised. *And the music is* housed with electrifying responsiveness.

Freeman is one architect of Tuesday evening's triumph. The other is the conductor, Edward Downes, *who marks* his 40th year at the house with this production, the realisation of a lifelong dream. At last year's *Fiery Angel* Prom his mastery over every element of the score was made manifest. In the theatre that mastery appears more remarkable still.

Any competent conductor could, one feels, have a decent *go with the opera's set-pieces*, buzzing with sulphurous thematic material, motor-driven rhythmic patterns and glamorous, tingling orchestration. It takes a conductor of Downes's experience and authority to squeeze theatrical juice from the less obvious features of the score, the light touches of sardonic humour, the bittersweet lyricism. The finale, that astonishing convent cantata for soprano voices counterpointed by the bass imprecations of the Inquisitor, is not just a big blow-out but an inevitable, logical conclusion. The opera holds together.

The leading couple, *Galina* Gorchakova (Renata) and Sergey Leiferkus (her besotted champion Ruprecht), are those of Downes's 1991 concert. The young Siberian soprano floods the *music* with *tone, ample*, lustrous, warm and free, unflecked by strain, wobble or screech. No one, heaven be thanked, seems to have alerted her to the notorious voice-killer risks in the role, and so she just lets it pour out with marvellous ease and vitality.

Leiferkus's artistry is of the most subtle and selfless kind; his darkly burnished baritone finds moments of deep, finely nuanced beauty in his music without ever elbowing them vulgarly forward. Ruprecht's pain and despair are the more eloquent for being understated. In a large cast, Paata Burchul*adze's bull-like, thunderous* Inquisitor, Robert Tear's slyly witty Mephistopheles, the Fortune Teller of Gillian Knight and the Jacob Glock of John Dobson stand out, but no one *detracts from the richness of* the overall impression.

In sum, a brave, powerful, arresting performance – noone who cares about opera as theatre will want to miss it.

Alastair Muir

Galina Gorchakova as Renata. The Siberian soprano floods the music with tone, ample, lustrous, *warm and free, unflecked by strain, wobble or screech.*

Photographic Exhibitions

Photographic images are a staple of our culture with a vital role in our visual arts, where they have been the rival, partner and tool of the painted or graphic *image* since photography became generally accessible as a medium in the mid-nineteenth century. The manner of presentation of photographic images has been much *debated*, and forms an important current in the complex aesthetic climate.

In "Outer Space", at the Camden Arts Centre until April 26, eight artists from different countries use photography in conjunction with installation and video to explore a wide array of subjects, from the world outside the gallery window – the cars photoscreened on the walls by Ulrich Gorlich seem to have driven straight in from the Finchley Road – to the imaginary history sparked off by the accidental discovery of a menu holder.

Cultural identity forms a common theme in the works shown by Willie Doherty, Krystyna Ziach and Susan Trangmar, whose slide projection installation simply but very effectively *illustrates* the complexity of symbols, from embroidered Indian silks to Ninja Turtle badges, sported by the young pupils of Virginia Primary School, east London.

One of the *most* successful pieces is Hotel Polen by Ania Bien, a Polish artist who lives and works in Amsterdam. A series of large black-and-white photographs, imposingly framed in black, *lines the walls* of a corridor-like space. The photographs are of photographs, old photographs from the time of the second world war displayed in a menu holder inscribed with the *name* of the hotel.

As we walk and look from image to image, we become absorbed in the narrative they seem to suggest. The people, places and objects *shown* were once real enough. The connections we begin to fancy between them we construct for ourselves, an excellent demonstration of the imaginative power that such a careful *conjuncture of image* and presentation can achieve.

The notion of the photograph as bearer of secrets, recorder of hidden worlds, is at the heart of the work of Sophie Calle, an example of which can be seen in "Doubletake", about to finish at the Hayward Gallery (until April 20).

She exhibits four works based on photos taken by the security camera of a cash machine. Three of them show male heads, expressions differing a little – relaxed and whistling, clutching the forehead, distracted *and maybe sad* – as they perform this everyday task. The fourth set of photos is very different.

First we see a woman, concentrating as she looks down at the machine. In the second frame, a man appears. In the third, the same man crouches in the middle distance, intent on something on the pavement. The fourth picture shows the man again, much closer to the camera, his torso naked.

Of those who chose to comment on this work, none noted that this sequence showed not a cash transaction but a rape. An everyday urban event, perhaps, but hardly, surely, unworthy of comment. Calle's grim and clever piece makes plain that the notion of "security" which devices such as *hidden* cameras are supposed to represent has very little to do with what really constitutes preservation of the self. The mechanical watcher with the indifferent eye might provide useful evidence of a robbery but its programme did not include summoning help in the case of an attack.

Also at the Hayward, Andreas Gursky shows very *large colour photographs of unremarkable scenes* – the interior of a factory, the floor of the New York Stock Exchange, the view over a bleak motorway landscape. He is not the only artist choosing to present such images: Alex Webb, Reinhard Mucha, Thomas Ruff, Jeff Wall and the partnership of Peter Fischli and David Weiss (represented in "Doubletake" by an installation) and others have all shown similar photographs, capturing similar scenes with equally apparent artlessness.

Only the grand scale of their printing, the exquisiteness of their finish, gives the game away. This is the sort of work that prompts puzzlement and irritation, bringing forth remarks such as: "I could do that".

Why? Because, by presenting in the privileged space reserved for the viewing of art, images the content of which is so obviously ordinary, the artists strip away the received and cherished notion that art must present itself through certain forms or materials in order to be recognised as art, as something which has been given the right to comment on our lives.

Gursky, like his colleagues, will have none of this. Instead, he chooses as his subjects scenes of the everyday, the impersonal workplace, the tedious journey, the drab bleakness of which we normally thole without comment.

It is a shock to be confronted with these familiar but unacknowledged environments when we are least expecting them, when we had hoped, perhaps, to have made our escape. Our lives, these works remind us, are lived in such bland interior, traverse these weary spaces. We are the architects of our own banality, and it is our everyday refusal to acknowledge this responsibility which makes these pictures seem so odd, so surreal.

Lynn MacRitchie

ENO season

The 1992-3 season at the English National Opera opens on August 27 with a revival of *Rigoletto* in Jonathan Miller's Mafia-style staging. Ken Russell makes his house debut in a new production of *Princess Ida*; among the other new productions are *The Force of Destiny* by Nicholas Hytner (starring Josephine Barstow), Janáček's *The Excursions of Mr Brouček* by David Pountney, Handel's *Ariodante* by David Alden and the premiere of Jonathan Harvey's *Inquest of Love*.

Revivals include *Ariadne on Naxos, Wozzeck, Hansel and Gretel, The Turn of the Screw* (which also marks Valerie Masterson's first Britten appearance at the Coliseum), *Queen of Spades*, the notorious "green blood" *Macbeth*, and two Mozarts – *Don Giovanni* and *The Magic Flute*. Mark Elder, Richard Armstrong, Jane Glover and Charles Mackerras head the list of conductors.

Alberto Remedios, the company's much-loved Wagner tenor of previous decades, returns after an absence as Mr Brouček.

Max Loppert

Mukhamedov and Company

Irek Muhkhamedov has recruited nine colleagues from the Royal Ballet to join him in occasional gala peformances. Nothing wildly original in that, except that the artists are young and gifted, that Mukhamedov has had the wit to commission new choreography, and that the presentation is polished, well and honestly planned.

The example of this week's Stars of the Bolshoy evening – its latter part mostly circus tricks – serves to highlight the merits of what Mukhamedov proposed for his troupe's first outing at the Derngate Theatre, Northampton. (This in itself a wise choice: the theatre has a lively policy in presenting dance and has built up a knowledgeable audience – who responded ecstatically *to Tuesday's performance*).

No scratch orchestra, sawing Minkus into useful lengths, but two fine pianists (Paul Stobart, Tim Qualtrough) on fine pianos, and, for David Bintley's new *Undine*, the young Zoe Mather to play Ravel with grace. The statutory show-pieces were the *Sleeping Beauty* duet for Bonnie Moore and the elegant Sergiu Pobereznik, and Vaganova's *Diana and Actaeon*, in which Viviana Durante demonstrated a bright-edged attack, and Mukhamedov in heroic form and a gold lamé mini-skirt roared into the air, making us gasp and cheer and hope that the stage was big enough to contain dancing of such scale and physical grandeur.

It was the Royal Ballet's own traditions which shone in the rest of the evening, with the work of six company choreographers on view – four of them making pieces for the occasion. From Ashton's *The Dream* came the final duet for Titania and Oberon, lovingly done by Bonnie Moore and William Trevitt. In MacMillan's *The Four Seasons*, Durante and Mukhamedov blazed, and then melted into the siesta mood of the "Summer" pas de deux.

Bintley's *Undine* was a shimmering view of the water sprite reclaiming her faithless beloved, and, in Deborah Bull's brilliant dancing, seeming to glitter with drops of water. *Portrait*, by the young dancer Matthew Hart, *was a sketch of a mad maestro* and his lady – inventive but not fully worked out, despite sure performances from Larissa Bamber and Luke Heydon. Miss Bamber was also seen, with Michael Nunn, in an admirably judged duet by William Tuckett – *The Unobtrusive Detail* – set to a Chopin nocturne. It offered unisex dress (black shirts and trousers) but subtle interplay between the sexes – she dependent; he supportive – and was given with superb concentration and emotional alertness.

A significant novelty was Ashley Page's *Quartet*. This uses a Liszt Hungarian rhapsody, and the insidious curves of the melodic line have brought a fascinating response from the choreographer. The costumes for the two couples – Deborah Bull and William Trevitt; Belinda Hatley and Michael Nunn – are those designed for Page's *Piano* at Covent Garden three seasons ago. I found ideas stated in that ballet – about balance; about the potential of a distorted academic manner – shown more succinctly and more pungently in this short piece than in the ambitious (and over-decorated) *Piano*.

Page has, in his earlier *Pursuit* and *Carmen Arcadiae*, started to re-form (and reform) a classic style. *Quartet*, by its simplicities as by its allusiveness, shows how well he can achieve this, and how well his dancers respond to his probing inventions. One last offering, Kasyan Goleizovsky's *view of the Fledermaus waltz, looked a bit* odd: it is Soviet kitsch, dependent upon a lot of roguishness with a fan, and it lies entirely outside the experience of British dancers. The gifted Belinda Hatley did what she could, but it is not a matter worth bothering her pretty head and feet about. The evening was, in all other respects, a triumph for Mukhamedov and company.

Clement Crisp

At the Alhambra Theatre, Bradford, on Saturday April 18.

Berlin Bertie

Odd how plays of a kind seem to flock together. At the Comedy we have the Italian anarchic left in Dario Fo's *The Pope and the Witch* (reviewed yesterday). At the Royal Court up, or perhaps down, goes the British left in Howard Brenton's *Berlin Bertie*, a play about the illusions shattered by the *dismantling of* the Berlin Wall.

The two pieces have a good deal in common: for example, a performance better than the script deserves and the absence of targets worth hitting. As in politics, the left may have run out of ideas. One senses that a theatrical era is coming to an end, though the professionalism of the acting and the direction remains.

Brenton is far too good a playwright not to have sensed that himself. The Bertie in his title is, in part, Bertolt Brecht. This is a play as much about theatrical approaches as about politics. Brecht stood for certainties, even if eventually it *required* a wall to shore them up. The question is what happens when people on the repressed side of the wall see the licence on the other side.

Brenton lays it on thick. Here is south London, Easter 1990. Decadence is all over the place: uncleared-away Chinese take-aways, piles of capitalist newspapers, Coca Cola cans, Pepsis as well, mattresses on the floor, a dirty television set. The most frequent word used by the most talkative of the early characters begins with an "f". The same character wears a T-shirt advertising Virgin Airlines.

When the principal female finally wakes up, she talks about the joys of having breakfast travelling first class on Cathay Pacific and having sex in the aircraft's loo. Then she drinks lager from the can. She is, of course, a social worker, for whom life has gone wrong; she is also on drugs.

The girl on the other mattress is a 17-year-old suffering from venereal disease, but unwilling to go to the doctor for treatment and preferring to practise the skills of the *commedia dell'arte*. She spends quite a lot of time standing on her head and wants to move south to the Avignon festival.

Outside is a backdrop of some of the ugliest buildings in East Berlin. From there the sister of the social worker arrives, as does her lover, an ex-Stasi official, sometimes posing as Brecht and wanting to make a new life in the Netherlands. He asks questions like: "Are these conditions representative of a British working class house?"

One could go on. The play is not quite as awful as a description of the plot makes it sound. Brenton can write, sometimes like Noel Coward, as in the line: "Strange how continental men have overdeveloped legs". The acting is very good, notably Penny Downie as the social worker and Diana Rigg as her sister, Rosa. Some of the political observation is sharp. Rosa did her thesis in East Germany on compulsive swearing, and notes there is a lot of it about in South London.

Berlin Bertie is directed by Danny Boyle. Brenton has a prolific output and must be going through a period of adjustment. One looks forward to where he goes next.

Malcolm Rutherford

Royal Court Theatre. Part of a season supported by Wilde Sapte, Solicitors.

FINANCIAL TIMES

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Thursday April 16 1992

Gadaffi in the dock

THE MANDATORY sanctions imposed on Libya yesterday by the UN Security Council were characterised by Mr Douglas Hurd, the British foreign secretary, as persuasive rather than punitive. It is an important distinction, since it underlines the difficulties involved in further increasing the pressure on the regime of Col Muammer Gaddafi as a result of its alleged involvement in the bombing of the Pan Am airliner over Scotland in 1988 which killed 270 people.

This crude act of terrorism was universally condemned. The desire to bring those responsible to justice is powerful. Col Gadaffi has for the past 20 years enjoyed fanning the flames of conflict within the Middle East and elsewhere in the world, where small groups of violent people have been encouraged to attack governments disliked by Libya. However the depth of international distaste for the man and his methods should not be allowed to dictate the response to the Lockerbie outrage.

The effectiveness of sanctions, including the relatively modest *ones just imposed on Libya*, must always depend on the willingness of the international community to stick to them. The US and British governments, in co-operation with *France which has its own* arguments with Libya, have won majority support within the Security Council for the measures so far adopted. But they would face far stiffer hurdles in persuading others, including European friends such as Germany, to impose further sanctions and most especially a ban on Libyan oil exports.

Alleged criminals

There has already been some unease over the apportionment of blame for the Lockerbie bombing and the subsequent use of the Security Council as a vehicle for pursuing alleged criminals. The *finger of suspicion, officially* guided, pointed first at Syria and Iran. Sceptics suggested that only after Iraq's invasion of Kuwait did it become politically more expedient to concentrate on Libya. The evidence against the two Libyans has been gathered by British and US intelligence. It is not possible for other governments to test the strength of that evidence.

By working through the Security Council, Britain and the US are making the UN body the sole instrument of a policy which, if carried to its conclusion, could lead to military action against Libya. Considering the scale of the diplomatic effort needed to put together and hold a common UN position on achieving the liberation of Kuwait, there can be little chance of that process being repeated over the extradition of two men from Libya who have yet to be proven guilty.

Strike out

The US, supported by Britain, can of course strike out alone as it did in the 1986 bombing raids on Libya. It can be argued that the 1986 raid forced Col Gadaffi to limit support for terrorism. Equally, Lockerbie might have been the response to it. US and Israeli military dominance of the region ensures that such attacks can be carried out with little immediate risk. But whether that is primarily the message which Washington wants to send the Middle East – at a time when it believes the opportunity has never been better for a negotiated settlement to the Arab-Israel conflict – is another matter.

Arab friends of the west have *been trying to find a compromise*, not liking the prospect of sanctions against another Arab state, or of Col Gaddafi being offered a further opportunity to posture as a defiant leader. The majority of Arab League members are happy to see Libya restrained but are concerned about the political impact on their own populations of western actions which could appear vindictive. As they might note, there are other identifiable international criminals against whom there is no threat of prosecution, domestic or international.

The international response to terrorism has always had to be one of containment rather than *direct retribution. The latest UN* sanctions recognise that. Libya should be made to feel the weight of western ostracism for so long as refuses to surrender the two men and does not co-operate more broadly in the battle against terrorists. But Britain and the US would need to think very carefully before adopting harsher measures that fail to win the backing of their main allies.

A window for rate cuts

AFTER months of pre-election tension, the City has finally relaxed. The markets have reacted with great enthusiasm to the prospect of five years of stable Conservative government committed to low inflation and no devaluation. But this surge of confidence will *only persist if the* economic recovery starts soon; and the main obstacle to growth remains high interest rates. Some City folk are encouraging the government to postpone interest rate cuts and instead move quickly to narrow bands within the European exchange rate mechanism. It is a temptation that Mr Lamont should resist.

Economic recovery, long predicted by the Treasury and like-minded City analysts, may at last be in the pipeline; but their recent record does not inspire confidence. The economy may experience a post-election boomlet over the next few months, as companies and consumers make purchases they were postponing. But timing-related blips in retail sales figures can send misleading signals, as the chancellor learned last summer.

The risk remains that the recession will give-way to a prolonged period of slow growth. The combination of high real interest rates and heavy *consumer and business* debts do not together make a stable platform on which to build a recovery driven only by rising real incomes for those in work. Rising *unemployment is also likely to* keep southern consumers nervous for some months yet.

Obstacle removed

The election result has removed one political obstacle to interest rate cuts, namely the risk that they would have to be reversed if *sterling slipped to its ERM floor.* Indeed, the post-election market rally appears to have made this risk even more remote. Sterling has already climbed to well within 2¾ per cent of its central rate. But it makes no sense for the Treasury to wait for sterling to rise above its central rate before cutting rates.

High German interest rates are the main obstacle to looser UK monetary policy. UK short-term rates are a mere ¾ of a percentage point above German rates. No ERM member country has yet managed to maintain lower rates than those of Germany for any length of time. A new government, however large its majority and conservative its rhetoric, is not in a strong position to test the market's patience.

Yet the government's hands are not completely tied. It can and should narrow this interest rate *differential further, perhaps by* just a quarter of a point at a time. The markets, and the public, must become used to the idea that the ERM means frequent small changes in interest rates, and not always downwards.

Attractive symbolism

The government should also resist a move to narrow bands within the ERM, however attractive the symbolism of doing so during the UK's forthcoming presidency of the European Community.

The UK may have little room for independent monetary policy manoeuvre in the ERM; but the Treasury and the Bank of England should cling on to what flexibility they do possess, both over when to move to narrow bands and around what rate.

Indeed, wide bands may give the UK a better chance than other ERM members of pushing interest rates below those in Germany. A *country can only do so if its* currency is expected to appreciate against the D-Mark. But the UK's wide bands make the room for appreciation much greater. Success *would be more likely* if the Bank of England were first made operationally independent of Treasury control. That would be the clearest possible signal that the UK is *committed to low and stable* inflation.

Even then, a substantial easing of UK monetary policy will not be be forthcoming until the Bundesbank *cuts interest rates*, a *prospect* which Germany's fiscal crisis continues to postpone. Strains in the ERM would quickly ease if economic growth in the UK and France picks up soon.

But the longer these countries have to endure slow growth and rising unemployment, the greater the risk that monetary co-operation in Europe will disintegrate. The rest of Europe badly needs Germany to put its house in order, but will not be able to wait for ever. Until German rates do fall, the UK government should take what opportunities it can to cut interest rates.

European puzzle still unsolved

There is no clear or simple message to be derived from the fragmented results of recent elections, writes Edward Mortimer

'Men wiser and more learned than I have discerned in history a plot, a rhythm, a predetermined pattern. These harmonies are concealed from me' – H A L Fisher, in the preface to his History of Europe (1936).

'No generalisation is ever absolutely true, and neither is that one' – Anon.

The cartoon on the front page of *Le Monde* summed it up best. It showed Mr John Major on his soap-box, giving the victory sign. President François Mitterrand and Chancellor Helmut Kohl stand by with black eyes and bloody noses, holding the empty ballot boxes from their regional elections. "I told you, Helmut," Mr Mitterrand is saying, "never expect solidarity from the Brits".

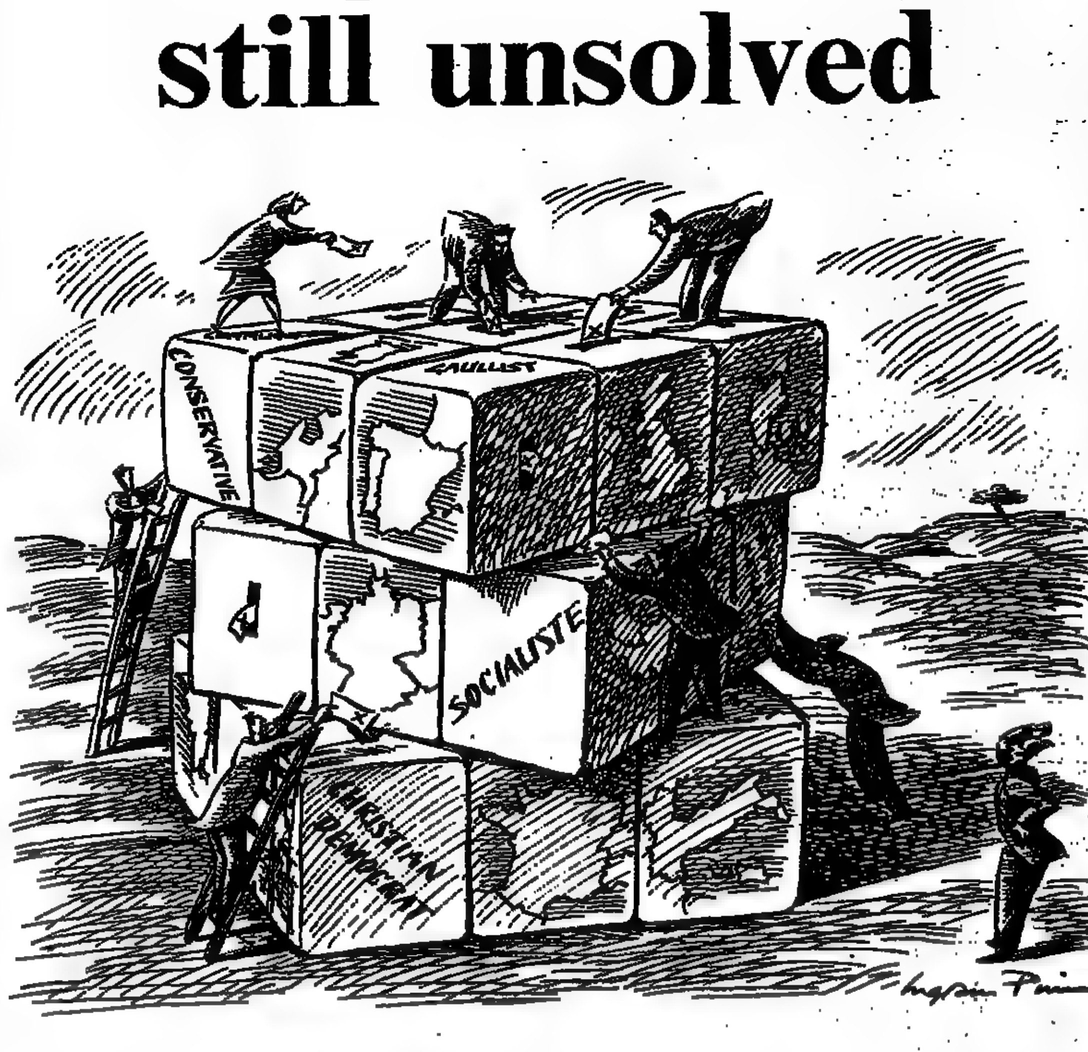
The British election result makes nonsense of any attempt to discern a clear pattern in current European politics. If there had been a hung parliament, with "fringe" or "protest" parties holding the balance of power, it would have been so easy to depict Britain as afflicted by the same "malaise" as France, Germany and Italy. There would have been the same dilemmas – whether to build coalitions or to soldier on with a minority government, daring the other parties to vote you out – and the same accusations about unholy alliances, secret deals, or nods and winks to obtain the support, or at least the abstention, of parties supposedly beyond the pale of respectability.

As it is, Britain has to be treated as an exception to any sweeping generalisation about "the fragmentation of political systems" or "the crisis of the traditional governing parties". At best it may, with the Labour party's fourth successive election defeat, be taken as an *example of "the crisis of the left"*.

That there is such a crisis no one can dispute. As Stanley Hoffmann, a veteran American observer of European politics, put it in an interview with the *International Herald Tribune*: "Nowhere do socialists do very well. They have not recovered from the general loss of faith in a traditional *dirigiste*, welfare-state approach, and they haven't been able to find a substitute."

It should be noted that the crisis of social democracy antedates the collapse of communism in the Soviet Union. It was already clearly visible five years ago. The whole story of the 1980s was that of a revolt against excessive taxation *and regulation*, a *dismantling* of traditional social democratic policies even though carried out in some countries (notably France and Spain) under nominally Socialist governments. So it is no good west European socialists complaining that they have been unfairly tarred with the brush of Soviet communism. They have been, in some cases, but that is not the main reason for their discomfiture.

The end of the Cold War has helped to destroy the familiar framework of party politics, especially in countries like Italy, and to a lesser extent France, where the Communist party had been a central feature of that framework since *1945. Together, these two phenomena* have undermined the traditional left-right polarisation which gave post-war European politics its essential shape. At its simplest, this meant you voted for a left-wing party if you wanted action by the state to produce a more egalitarian society, and for a right-wing party if you feared that such action would encroach unacceptably on your personal freedom.



To that extent, the British election should perhaps be seen as a last gasp of the old politics rather than an example of the new, because it was still essentially about the old left-right issue. The Labour party was still putting forward the old social democratic recipe, albeit in a much watered-down form, and fear of the consequences of this proved, in the end, strong enough to give the Conservatives a working majority. In other countries, *the right, deprived of a credible* left-wing bogeyman, has begun to fragment. The governing Christian Democrats lost ground to more radical right-wing parties in the German *Länder* elections, and to regional protest parties in the Italian general election. In the French regional elections, the mainstream conservative opposition did not benefit as it might have expected from the Socialist party's debacle, the stray votes going instead to the far right Front National, to rival ecol*ogy parties, and to local candidates.*

Clearly voting systems had something to do with this. Britain's first-past-the-post system makes it peculiarly difficult for minority parties to win seats, unless *(like Plaid* Cymru or the Ulster Unionists, or in Scotland the Liberal Democrats) their support is heavily concentrated in a small number of constituencies; and voters are naturally reluctant to waste their votes on candidates who stand very little chance of being elected. If last week's election had been held on a proportional system with party lists, like those on the continent, a more politically "fragmented" Britain would almost certainly have emerged. It is certainly striking that in the French cantonal elections, held at the same time as the regional ones but on a two-ballot single-member-constituency system, only one seat out of 2,000 was won by the *Front National, and only* four by ecology candidates, while the mainstream conservative opposition won a comfortable majority *of the votes cast (53.75 per cent).*

The countries with the highest unemployment rates are not the ones most obviously suffering from political malaise

So it is premature to conclude, even on the Continent, that the crisis of the left has produced a general crisis of the right. France still *lacks a single* powerful conservative party capable of dominating the political scene as the Tories do in Britain or the Christian Democrats in Germany and Italy, but that is an old problem. So long as they can work together, Gaullists and *Giscardiens* do provide a credible alternative to the Socialist government, and they can be pretty confident of winning an overall majority in the next parliament now that the use of a proportional system to elect it has been ruled out.

It is where conservatives are already in power, but socialists no longer offer a credible alternative, that the dangers of fragmentation seem most acute, especially if proportional voting systems continue *to be used. The test year for Germany* will be 1994, when there will be elections for the Bundestag, the European parliament, and for many state parliaments as well. For that year, Mr Gerhard Frey, leader of the German People's Union (DVU) which broke through into the Schleswig-Holstein state parliament last week, is promising "a breakthrough on the widest front". But he may be deluding himself. The far right is itself fragmented, with Mr Frey and Mr Franz Schonhuber, whose Republican party made an even more spectacular breakthrough last week in Baden-Württemberg, never missing an opportunity to put each other down in public. Even united they would be far from certain of reaching 5 per cent of the national vote, which is required for representation in the Bundestag.

In Italy, some similar modification of the proportional system may be adopted before the next elections. But whether that happens or not, it is much too soon to write the epitaph of Christian Democrat dominance. Although the Christian Democrats have fallen below 30 per cent of the national vote for the first time since the war, the much worse fragmentation on the left has widened the gap between them and their nearest rival, the ex-Communist party, making it less than ever imaginable that any government could be formed without them.

Perhaps the most striking feature of Europe's political fragmentation is that the picture itself is fragmented. Generalisations break down as soon as one examines each country's circumstances in detail. Even the superficially similar results in France, Germany and Italy are less similar than they look. In Germany, the main beneficiary of the government's unpopularity is the far right; in France the far right shares the spoils with ecology parties with which it has nothing in common; in Italy the neo-fascist vote went down, and it seems too facile to lump together the devolutionist, pro-European Lombard League with xenophobic nationalist parties like the Front National or the Republikaner.

Nor should one forget those European countries which have not held elections this year. Neither in Spain nor in the Netherlands is there a sense of political crisis, or any sign that the extreme right is about to make a breakthrough. In the Netherlands, it is business as usual, with friction between the Christian Democrats and their Labour coalition partners. In Spain, Mr Felipe González, the "Socialist" prime minister, adopts more and more draconian anti-socialist policies and is more or less reconciled to losing his overall majority next year, but expects to remain in power by forming a coalition with a powerful regional bloc (probably the Catalans).

If there is a European "malaise", no doubt recession and unemployment are important factors in it. Clearly there is concern about immigration in many countries, and that is usually associated with unemployment, housing shortages and high crime rates. Unemployment is indeed unacceptably high (8.9 per cent in 1991) throughout the Community, but it was higher still in the mid-1980s (10.8 per cent in 1985). Moreover, the countries with the highest rates, Spain and Ireland, are not the ones most obviously suffering from political malaise, still less those where immigration is a burning topic. (Spain has dealt with the problem simply but effectively *by providing road signs in Arabic,* pointing the way to France.)

Economists can make out a case, without much difficulty, that growth throughout Europe is being held back by high interest rates, which in turn are dictated by the Bundesbank in its efforts to contain domestic inflation. Thus we are all paying the price of German unity, through the European exchange rate mechanism. That would be a good reason for political malaise, and may partly explain the second thoughts about agreements made at the European summit at Maastricht last December being expressed in some countries. But no party made this a main theme of its campaign *in any of the recent elections*, and there is no evidence that the connection has yet been understood by voters. If the recession continues it is unlikely to escape them much longer. The worst of the malaise may well be yet to come.

BOOK REVIEW

A call for class action

HORACE'S SCHOOL:
Redesigning the American High School
By Theodore R Sizer
Houghton Mifflin, $19.95

Two American public high *schools exist in the* world's imagination. The first is the chronically under-funded inner-city school where many pupils drop out before gaining a diploma. It is dominated by teenage gangs, and its teachers have lost hope of providing a proper education to its poor, ethnic-minority pupils.

The second imaginary high school is different. It is in the affluent suburbs attended by pupils from different backgrounds whose parents want them to go on to college. It offers an array of academic and vocational courses in orderly classes. Students cheer for the football team and dream of the school prom.

The trials of the first American high school are so familiar that it is hard to envisage the second having problems. Opinion polls find most American parents are happy with their local school in spite of their worry about the state of education. They are happy for their children to enjoy its comfortable traditions.

Yet it is hard to find an education pundit or a business leader who agrees with them. The suburban high school is attracting more and more of the blame for America's education malaise. Many of the "lazy and ill-educated" workers criticised in Japan are the products of these happy institutions.

The essential charge against the suburban high school is that it encourages complacency and laziness. Students can wander through the "shopping mall" school taking undemanding courses. Outside the "college prep" track, in which pupils prepare for college entrance tests by taking optional academic courses, there is little rigour. Even high achievers may have little experience in reasoning or applying ideas: the Standard Aptitude Test *(SAT) for college is a multiple* choice test of abstract facts.

This litany of complaints has led to attempts to change schools. Being America, self help and local initiative have played as big a role in reform as state governments or even school districts. Probably the best known is the Coalition of Essential Schools led by Ted Sizer, a Brown University professor.

The coalition was formed in 1984 after Sizer's first panegyric on schools in Horace's Compromise. He described the problems of a fictional high school teacher called Horace Smith. In the latest episode, Horace has the chance to lead a team of teachers redesigning Franklin High School from scratch.

In spite of this rather unsophisticated device, the book feels like an authentic description of a high school and the tribulations of trying to reform it. One of the strengths of Sizer's approach is that he concentrates on teaching methods and curriculum, and shows how pupils can evade serious learning.

Sizer puts the pupil problem clearly on the first page of the book: "Many are lively, well-intentioned and adept at cranking out acceptable test scores, but they are without the habits of serious thought, respectful scepticism and curiosity about much of what lies beyond their immediate lives."

He attributes much of this to the style of teaching: a traditional method of learning by rote without *much pupil involvement. Instead,* he recommends "learning by conversation" in smaller classes, and the blending of different subjects so students can understand concepts *more practically*. This has a familiar smell to the British reader. Indeed, one curiosity of educational debate in the US is the support for what the UK government regards with suspicion as "progressive".

It is certainly hard to avoid the view that America might be better off with schools that encouraged a *little more reasoning and a little* less self-confidence. The bustle of ill-directed activity in high schools is a long way from the "thoughtful place to teach thoughtful young citizens" that Sizer wants.

Yet his solution seems less than complete. He recommends that pupils are tested by "exhibitions" in which they would have to show a panel how they achieved solutions to complex multi-disciplinary problems. These "exhibitions" would be used alongside standardised mass tests to ensure real learning.

What about simply having better pen and paper tests instead of these mini-vivas? There is a raging debate about assessment methods in America at the moment, and most people agree that something better than the SATs could be devised. Sizer says this idea is pie in the sky because no one will bear the cost.

But there is also a suspicion that he would prefer to leave matters in the hands of teachers anyway. He thinks schools can be rebuilt from the inside by well-intentioned parents and teachers. They do not need the heavy hand of national testing, or even business involvement in new forms of curriculum.

That may be, but Horace had better act fast. It will not take too many remarks by Japanese politicians before questions about national achievement in maths and science overwhelm Sizer's wider concerns about authentic teaching. Then the teachers and students of all the Franklin Highs will be in for a rougher time.

John Gapper

The author is a Harkness Fellow of the Commonwealth Fund, NY.

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ECONOMIC VIEWPOINT

The moral victory that is still to be won

By Samuel Brittan

David Mellor: not a complete answer to anxieties

The British Labour party, which for all its much vaunted policy reviews, still remained statist and anti-market, lost the UK election. And I noted that there was another group of losers as well: the more embittered Conservative Europhobes who were so obviously sharpening their knives for a bloodbath against anyone in the Conservative party, or outside it, who had anything to do with the decision to join the exchange rate mechanism.

The latter argument can wait quite a few months until much more evidence becomes available of Germany's success in countering the inflationary effects of reunification, and hence the prospect for European interest rates.

The day before Good Friday, I want to touch on a more fundamental theme. This is that the anti-collectivists won the general election, but have yet to win the moral argument.

The evidence that market capitalism still has to win the moral victory comes from the contrast between public opinion polls and the actual votes in the polling booths. A significant margin of people evidently thought that in some sense Labour policies for increasing the role of the state were right and respectable and the thing to tell others they supported; but they shied away from what they feared might be the personal consequences to themselves and their families of a Labour government.

This feeling of moral inferiority is embedded in that awful proverb: "Anyone who is not a socialist before the age of 21 has no heart; and anyone who remains one after the age of 21 has no head." Nor is it at all comforting that, in spite of the collapse of state socialism in the former Soviet world, that so many of our own intellectuals and artists parade their leftwing leanings. It is as vulgar to sneer at Islington women as it is to sneer at Basildon man. With all respect to David Mellor, a minister of culture is not the complete answer to the anxieties of artists and authors about a capitalist environment.

I know the glib answer: that men and women of letters, artists and musicians, have to live under state socialism to turn against it. It would be more satisfactory if they could bring themselves to see the moral case for capitalism without such experiences.

Let me be more specific on two issues. All incomes do not belong to the state; and two-tier or multi-tier health, education and other services are inescapable in a free society.

It was the assumption that all incomes belong to the state that was the ultimate rationale of John Smith's confiscatory Shadow Budget. If we are in the position of children who are being given portions of pie by a mother, then the only *prima facie* fair distribution is equality; and departures from it have to be justified.

If, on the other hand, adults have obtained their holdings in exchange for their labours, or through transactions with others, or by a gift or bequest, then the pie theory does not hold; and it is the compulsory transfer to others that has to be justified.

The anti-collectivists' case needs to be stated with great care. Rights to income and property are not facts of nature. They are enforced by agencies such as the police and courts; they are not unlimited, and they can gradually change. It is quite legitimate for people to be required after due political process to hand over a fraction of their income for the provision of collective services or for redistribution to the poor. But if we want more of some collective provisions – whether state education or anything else – then most of us must contribute and not just the better off.

Two-tier service could only be abolished if private provision were forbidden

What in the end made the Smith-Kinnock approach immoral rather than moral was their repeated assurance that they could fund a vast and open-ended expansion of collective activities without the average family having to pay any more in tax. The Shadow Budget went beyond even that. The increases in taxes at the upper end of the income distribution were more than required to finance the promised increase in pensions and child benefit. The object was to churn enough money around so that there could be "more winners than losers".

As I tried to explain at the beginning of the campaign, the Smith Shadow Budget was devastatingly simple in its reasoning. If you have 10 piles of coins of different heights and take from the two tallest piles to put something in each of the others, then there will be more gainers than losers. The Conservatives might have made people fear that there would be bad side effects, or that Labour would not stop at the one or two tallest piles. But there was no fundamental challenge to the right of a government elected on a plurality to indulge in such confiscation.

This collectivist fallacy that our personal property comes from some mythical entity called the state is enhanced every time any chancellor of any party boasts of how much his Budget has "done" for so many people. This naturally encourages television reporters to go into the pubs and pick up complaints that "this Budget has done very little for me" or "it will all be taken away by the poll tax", or whatever.

The object of Budgets is not to provide people with something for nothing. It is to raise money for collectively-provided or financed services. The state can take more or less for this purpose. It has nothing to give.

To move on. The forces of freedom will not have won the moral battle so long as they wince when accused of being in favour of "two-tier" health or two-tier education. There will always be different levels of provision so long as people are free to spend their own incomes in their own ways – and that would be true even if incomes were equal.

Two-tier provision could only be abolished if people were forbidden to purchase private medicine or private education. In other words, people's incomes would have to be treated as pocket money which they can spend on gambling or holidays or restaurant meals, but not on anything they regard as of prime importance.

The immediate response from the leftwing is the charge of queue-jumping. Serious cases are supposedly left untreated so that a privately-insured person can be pampered in a private ward. Here a tiny piece of microeconomics does help to refute the charge. It all depends on the "elasticity of supply" of medical services. If the total number of doctors, nurses, surgical appliances, drugs, and hospital buildings were fixed, then the leftwing charge would be difficult to answer, like the case for food rationing in wartime.

But if, as is so obviously the case, the supply of such services is over a few years responsive to demand, then the willingness of people to pay themselves for treatment leads to a large expansion. More doctors stay in this country. Others are attracted here from abroad. More hospitals are built, and in the end there are more resources devoted to medical purposes.

* * *

The heroic anti-collectivist period of the 1980s is over. Those of us with a preference for the market and personal over collective choice will have to make our own case, with governments preferring to avoid high theory. For there was always a paradox in those who proclaimed the belief in freedom wanting one person to remain in power for ever and ever, and to amass more and more centralised authority. We are back to the 1960s in the exciting sense that the battle of ideas will be fought outside the corridors of power.

LETTERS TO THE EDITOR

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Pension fund managers support reform but warn against sacrificing proven practices

From Mr C K R Nunneley.

Sir, The members of this association, which includes virtually all the leading independent managers of pension fund assets in the UK, are taking a close interest in the suggestions for reform of the private occupational pension fund system following the Maxwell affair.

Although some of the proposed reforms are not of direct relevance to fund managers, and most of the proposals are still at the preliminary stage, there are some on which we feel it right to comment now in order to encourage progress in the right direction.

We fully approve the steps being taken to limit investment in assets connected with a pension fund's sponsors. We also believe that it is essential to strengthen the independence and powers of trustees, for example by adding to their number either suitably qualified individuals, who would perform a function equivalent to that of non-executive directors, or a trust company, which might also act as custodian. All trustees should be able to appeal to a body, such as the Occupational Pensions Board, with enhanced powers to prevent misuse of a fund's assets.

However, some of the other changes which have been suggested in such areas as custodial arrangements fail to address the overriding need to improve protection against fraud and negligence and would have few, if any, advantages. In particular, the practice, common in the UK, of holding pension fund assets in the name of a nominee company associated with the investment manager is efficient and free of risk where suitable authorisation, systems and controls are in place. Also, although designation of individual client holdings in a custodian account may superficially seem attractive, it in fact adds to the cost and complications of administration without any commensurate improvement in security or increase in control by the trustees.

Insurance cover has a part to play, but it can never take the place of preventative measures. All investment management firms have fidelity and professional indemnity insurance, but the suggestion, made recently in a letter to the FT (March 26), that they should be required to "have insurance cover to at least the total level of funds under management" is neither sensible nor practicable. If the insurance market could provide cover for over £450bn of assets, which it cannot, the cost would be horrendous (and borne ultimately by the clients). A combination of effective procedures and reputable agents provides a far better solution.

Above all, trustees can and should ensure that they select managers of good reputation and that their own system of controls, and those of their agents, give adequate protection.

They should not rely solely on authorisation by a regulatory agency as a guarantee of honesty and efficiency but rather on their own investigations and regular reviews.

The pension fund system has clear shortcomings and fund managers are ready to play their part in identifying and correcting them. Our members hope, however, that any pressure to make changes without proper consideration will be resisted, especially if they entail the sacrifice of cost-effective practices which have served pension funds well over many years.

C K R Nunneley,
chairman,
Institutional Fund Managers' Association,
Garrard House,
31-45 Gresham Street,
London EC2V 7DN

EC no part of fish crisis

From Mr Bruno Dethomas.

Sir, Mr Eaton (Letters, April 8) misleads your readers by comparing EC North Atlantic Fisheries Organisation quotas with total EC catches to illustrate over-fishing, without mentioning that the latter figure includes all stocks for which fishing is free and there is no NAFO quota (because they are either commercially uninteresting or not subject to conservation policies).

The EC indeed accepts and complies with every single recommendation by the NAFO Scientific Council. It does not "ignore important NAFO conservation decisions including a moratorium" on fishing for offshore cod. The truth is that this moratorium is not the result of a scientific recommendation by NAFO; it does not apply to the Canadian fleet, whose own quota for this area in 1991 was 186,000 tonnes.

Mr Eaton further implies that EC vessels are using illegal undersized nets. In fact, EC nets fully comply with NAFO regulations.

Canadian authorities claim that there is a crisis in the offshore fishery for cod. The EC simply responds that if that is the case, one should not automatically blame foreign fleets but rather assess the situation and act on the basis of independent scientific advice. This is why the EC has already formally requested an extraordinary meeting of the NAFO Scientific Council to study the cod stock. Unfortunately, Canada has so far rejected this request saying that its own opinion is enough.

If an independent scientific opinion suggests that the EC fleet is the one "responsible for the depletion of fish stocks off Newfoundland", the Commission will be the first to support a moratorium in that area.

In response to a Canadian press campaign, not only the EC but, for the first time, the EC Council of Ministers has unanimously declared that "it cannot accept that the poor state of cod stock ... be presented as a consequence of" EC fishing activities. The Community thus shows its unity, its political goodwill, and its hopes to establish a constructive dialogue with Canada, not through the press but with a serious effort to find solutions agreed by all.

Bruno Dethomas,
spokesman,
European Commission,
Brussels

Too reliant?

From Mr Andrew Campbell.

Sir, Lex praises Inchcape's results (March 31) and adds "the figures also contradicted the notion that Inchcape is too reliant on the motor industry and Toyota in particular".

What does Lex mean? In the past 10 years managers have proved unable to make a success of diversity. In a backhanded way Lex is suggesting that diversity or risk-spreading is good. Does Lex think that Toyota is too reliant on the motor industry?

Andrew Campbell,
director,
Ashridge Strategic Management Centre,
17 Portland Place, London W1

Open rather than free markets

From Mr Humphry J F Crum Ewing.

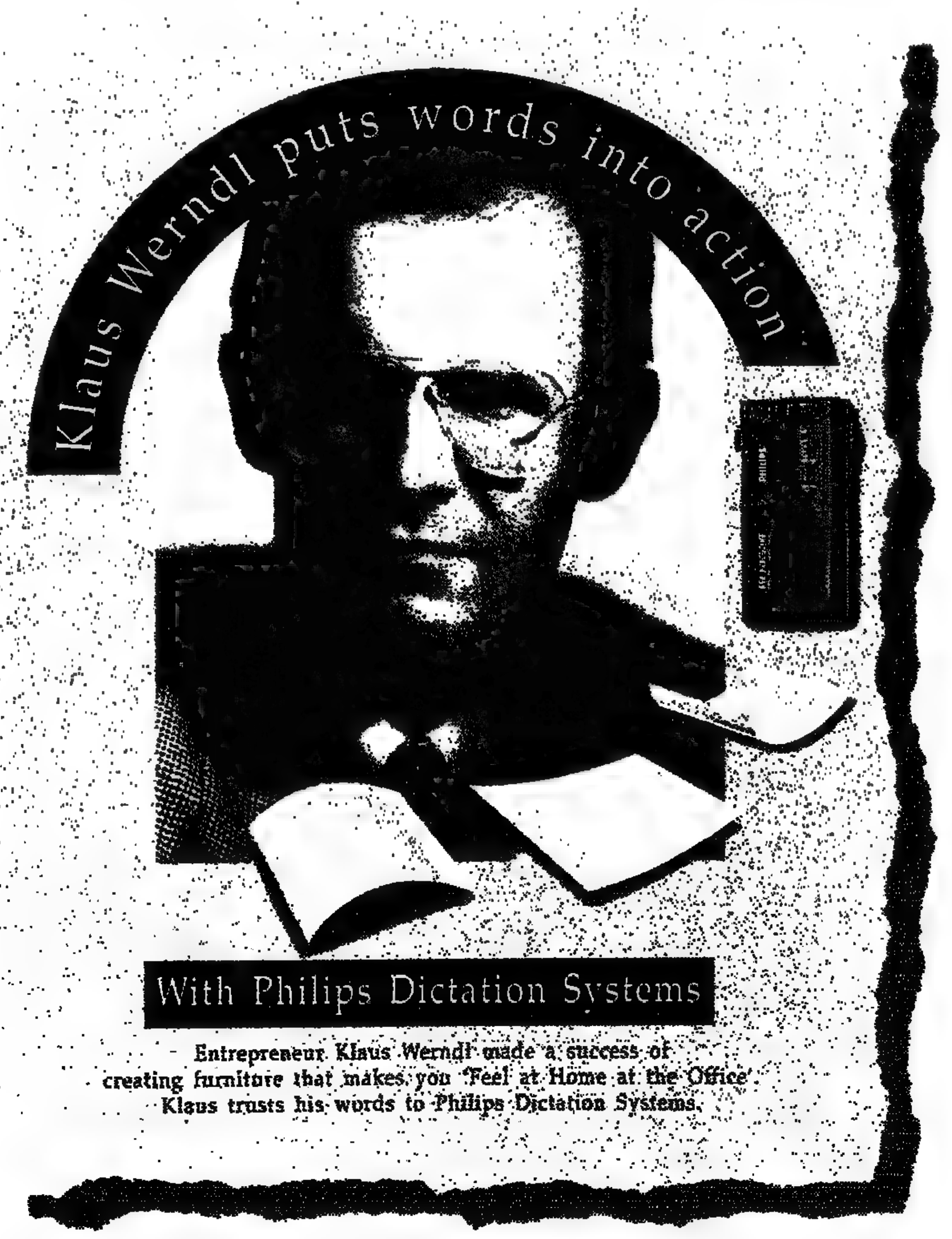
Sir, Bryn Jones (Letters April 15) gets it nearly all wrong in his critique of David Willetts' perceptive and clear article (April 13).

Conservatives believe in open markets which are not the same as free markets (see Adam Smith). The essential target of good marketing is a satisfied customer.

That is the Majorite Conservative objective and the Majorite Conservative/Citizen's Charter approach to improving education, the health service, the railways, local government etc.

It may not be so cosy for those who are on the payrolls of these organisations. But that is what it is about. David Willetts understands this. Bryn Jones evidently does not.

Humphry Crum Ewing,
53 Baker Street,
Reading RG1 7XY



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PHILIPS

OBSERVER

A mucky business

■ Union Carbide's decision to sell its Indian subsidiary is a glum footnote to the 1984 poison gas disaster at its Bhopal plant, which killed 4,000 and injured 200,000 more.

According to the unofficial Union Carbide version, it was the company's urge to keep control of its Indian business which contributed to the disaster in the first place.

Back in the 1970s, when the Indian government decided to make multinationals relinquish majority control of Indian subsidiaries, most companies knuckled under. Others, such as IBM and Coca-Cola, pulled out entirely. Union Carbide did a deal. In return for keeping 51 per cent of the subsidiary, it agreed to build the Bhopal plant.

The attraction for the Indians was that the factory produced a pesticide which generated export earnings. The drawback for Union Carbide was that the pesticide, Sevin, was too out-of-date to make much cash. How far the plant was then allowed to deteriorate is still hotly disputed.

Union Carbide now proposes to put $17m of the sale money into a Bhopal hospital trust, raising its compensation payments to nearly $500m.

But the affair does not rest there. Three weeks ago, the Indian government renewed its attempts to have Warren Anderson, 70-year-old ex-head of the company, extradited from the US on a charge of criminal negligence.

Jim's old boys

■ Why all this talk about the Government's Rothschild connection, because of the number of new ministers who have worked at the bank? The new administration's Slater Walker connections are surely more worthy of note.

True, former Welsh secretary Peter Walker and Sir Peter Morrison, Mrs Thatcher's parliamentary private secretary, have stepped down from parliament. But their shoes have been filled by old Slater Walker hands Anthony Nelson, the new Treasury minister, and Jonathan Aitken, now in Alan Clark's job at defence.

Passing the bok

■ Is it a flower, an animal, or an apartheid symbol? South Africans still can't make up their mind whether their national sporting emblem should be a springbok, a zebra or something beautiful, natural and neutral, like a flower.

As the Olympic Games approach, the debate over the future of the springbok – South Africa's traditional sporting symbol – is intensifying. In terms of emotion, it ranks on a par with the question of what flag, if any, South Africa should hoist at the Barcelona games.

The ANC-aligned National and Olympic Sports Congress (NOSC) has ruled that the springbok is an apartheid symbol, and therefore causes considerable bad feeling among blacks. It wants it replaced by the protea (the national flower) and has produced six good reasons why. For example, a flower removes the notion that sport is predominantly a male domain, and it is "relevant to the green issues".

Not long ago the zebra looked like overtaking the springbok. Indeed, it was the nickname given to South Africa's cricket team in the recent world cup. One serious politician said that the black and white stripes on its skin were appropriate given the country's racially diverse population. Nevertheless, the ostrich also has its supporters on account of the head-in-the-sand political and economic views of many in the population.

But does the NOSC have the authority to kill off the springbok? Sam Ramsamy, head of the National Olympic Committee of South Africa, insists the decision would be taken by his organisation; NOSC is but one affiliate. An added complication is that springbok sports, like cricket and rugby, are not Olympic sports. Hence their organisers could dispute the jurisdiction of these bodies.

"Are you going to throw it at anyone?"

Home thoughts

■ The fuss surrounding London's bomb-devastated Baltic Exchange and its Chamber of Shipping neighbour is all very commendable except for one small point. Both establishments are a hangover from when Britain ruled the waves, and such palatial premises are now far from ideal.

Indeed, the bombing has helped solve a difficult problem of what to do with growing numbers of empty offices. The Baltic, like the Stock Exchange, no longer needs a trading floor. A telephone and computer are all that's needed.

If David Mellor, the new heritage minister, can be conned into paying for the Baltic's restoration, all well and good. But with £75m of insurance cover, its members are in the lucky position of being able to shop around a bombed-out property market.

Citicorp's expensively refurbished Billingsgate fish market already has the edge over the Royal Exchange and the Corn Exchange as the Baltic's new home. The reason is that it has a bar.

"Wherever we go has to have one", says Baltic chairman Peter Tudball. "It's the way business has always been done," he adds.

Unruffled

■ Meanwhile one person who wasn't worried by Lloyd's building's narrow escape from the City of London bomb, was the controversial pile's designer Sir Richard Rogers.

Winterthur Insurance's UK chief Andrew Fleming-Williams, flying back from skiing to his own wrecked offices, saw Rogers in Geneva and inquired how his masterwork had fared. He hadn't even heard about the bomb.

Clean money

■ Israel's chief rabbi Mordechai Eliahu has ruled that people carrying US dollars should not take them out of their pockets when in unclean places such as lavatories.

The reason is that the bills are inscribed "In God We Trust", which he says requires them to be treated in the same way as holy documents and not exposed to filth.

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IMF chief says former Soviet Union will require help for several years

CIS 'may need $20bn extra aid'

By George Graham in Washington and Peter Norman in London

THE Commonwealth of Independent States may need $20bn in aid this year, in addition to the $24bn for Russia already planned by industrialised nations, the International Monetary Fund has warned.

Mr Michel Camdessus, the IMF's managing director, said in Washington yesterday that he had finished membership negotiations with 14 of the 15 republics – leaving only Azerbaijan to complete the process – and hoped IMF members would approve these arrangements by April 27, in time for the organisation's spring meeting in Washington.

But he warned that the former Soviet Union would continue to require substantial help for several years.

"The process of adjustment will be very difficult, very disruptive, but we believe the burden of adjustment can be eased by financial assistance from *abroad," he said.*

The negotiation of membership quotas for all of the former Soviet republics will play a significant role in determining how much money they can borrow from the IMF, once each has completed all its membership formalities and agreed a comprehensive economic adjustment programme.

Each country normally would be allowed to negotiate annual IMF drawings equivalent to its quota, although Mr Camdessus said the size of the loan arrangements was also tied to a coun*try's needs and to the strength of* its economic programme.

The IMF chief said his organisation expected to invest $25bn to $30bn in the former Soviet republics, *including Russia,* over the next four years. The World Bank is expected to invest $12bn to $15bn over the same period, while the European Bank for Reconstruction and Development will also make a significant contribution.

This would still, however, leave a significant shortfall to be made up by bilateral assistance similar to that envisaged in the $24bn *package which has been broadly* agreed for Russia by the Group of Seven leading industrial nations.

Eleven leading industrialised countries are expected to activate *a special pool of funds known as* the General Agreements to Borrow (GAB) to provide the planned $6bn stabilisation fund for the rouble that is part of the $24bn package.

The GAB in its present form dates back to 1983, when so-called Group of Ten countries (which, despite its name, comprises the 10 top industrialised countries plus Switzerland) agreed to provide up to $24bn to help the IMF through liquidity shortages. It is expected that the G10 will agree to provide GAB funds to the IMF immediately before the April 27 gathering of the IMF's policy-making Interim Committee.

Details of the stabilisation fund have still to be finalised, although it seems that it will take the form of a pledge of funds to be provided if necessary through the IMF, rather than a loan.

European officials expect the IMF will need further GAB financing to meet its fast-growing obligations as a result of the liberalisation of eastern Europe and the membership of the former Soviet republics. They believe that if all *goes well, a letter of intent on* IMF financial support for Russia could be signed by mid-May.

IMF quotas of the former Soviet republics

	per cent	SDRm	$m
Armenia	0.05	45	62
Belarus	0.20	187	256
Estonia	0.03	31	43
Georgia	0.08	74	102
Kazakhstan	0.17	165	226
Kyrghyzstan	0.04	43	59
Latvia	0.06	61	84
Lithuania	0.07	69	95
Moldova	0.06	60	82
Russia	3.00	2,876	3,946
Tajikistan	0.04	40	55
Turkmenistan	0.03	32	44
Ukraine	0.69	665	912
Uzbekistan	0.14	133	182

Quotas will increase by 50 per cent in terms of SDRs when 9th general review of quotas is increased. Azerbaijan has not yet completed membership processes.

Source: IMF

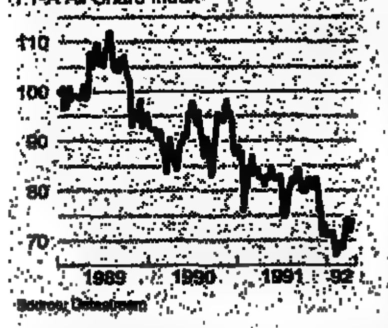
Crimea dispute, Page 2
Russia sticks to crisis, Page 2

THE LEX COLUMN

Tarmac on the deck

FT-SE Index: 2640.2 (+39.7)

Forte



Few UK companies have been humbled in this recession quite like Tarmac. While others in the building and building materials sectors have managed to restrict the damage to their balance sheets *or* their profit and loss accounts, the 1980s wonder stock has been hit hard in the teeth on both. Pre-tax profits of £21m last year were a mere 5 per cent of their 1988 peak, while the combination of higher net borrowings and a £230m drop in shareholders' funds pushed end-1991 gearing beyond 50 per cent.

Bid speculation will doubtless linger in the market for a while. But it is worth asking why Minorco, reputedly interested in Tarmac's aggregates business, would want to take over the whole shebang; or indeed, why it would be any better at sorting out the sorry mess than existing management. On the basis of a ridiculous prospective earnings multiple and a yield adjacent to Redland's, the shares at 139p are looking somewhat dear.

The grim reality is that Tarmac has been slow to spot its problems and is in for a long, hard slog now that corrective action is finally under way. Its plan to ease the financial pressure by selling peripheral assets – involving perhaps £200m-£250m of disposals this year – is reminiscent of Wimpey a year ago. Neither group has dared tap investors for more money, but Wimpey at least had a couple of plums to put in the shop window. As for housing, the company may yet be right to remain a volume player. But one feels *the decision is at least* in part an unavoidable legacy of its more glorious past. As last year's shrunken £40m of capital expenditure demonstrates,it will be some time before Tarmac moves forward aggressively on any front at all.

UK economy

The continued exuberance of the London equity market can be put down to several factors, one of them being the record-breaking performance of Wall Street. Much the most important, though, is the belief that the UK consumer has been unleashed by last week's election result. The latest survey from the Confederation of British *Industry certainly confirms that ahead* of the election, retail demand was knocked flat. In the survey period – from three days after the budget to the day before the election – year-on-year retail volume was down for the first time in eight months.

The timing of the survey means that retailers' expectations for this month are of doubtful value, since if they believed the opinion polls they presumably thought Labour would get in. Even so, most looked for a better if still poor month, with the important caveat that the high level of stocks meant that orders were likely to be flat. All in all, it still sounds as if consumer confidence was on the mend even before the election result was known.

The real problem will come in deciding how far a strong April is simply a function of a weak March. In the month immediately after the Gulf war, the official government figures showed non-food retail volume jump*ing 7 per cent. Two months later* it was back below where it started. While it is hard to believe that will happen this time, the nagging thought remains that the first normal month showing the underlying trend will be May. The official May retail sales figure will not be out until early July. For a market hanging on the consumer's whim, that is a long time to whistle in the dark.

Forte

The market readily forgave Forte's 63 per cent fall in pre-tax profits at the interim stage. The excuse was the Gulf war, and expectations were for quick recovery. Now, after a 59 per cent fall *in the second half, the market is again* in a forgiving mood. The grounds this time are the depth and persistence of the UK recession which hit Forte's London hotel business hard during the autumn. Perhaps investors would take a harsher view if the company did not present a clean-cut image in an otherwise slightly racy sector.

Unlike Ladbroke, Forte has no record of flattering its profit and loss account with property disposals. Unlike Queens Moat, it has had no rights issue since 1981. Moreover, Forte has coped *sensibly with the* recession, cutting out £40m of fixed costs and aggressively marketing its re-branded hotels in an apparently successful effort to raise market share. Gearing may have *risen from 36 to 44* per cent, but interest is still covered 1.7 times and the ratio is likely to improve this year.

At yesterday's close of 254p, however, the company *is trading on a his*toric multiple of 42, more than four times that of Queens Moat. This year's multiple would still be over 20 if earnings doubled, which is stretching things on both counts. *Higher debt* will add to the interest bill, at least in the early part of the year. The tax charge, which last year included £11m of unrelieved ACT, is likely to stay high. Provincial hotels remain depressed. Business in London is not back to 1990 levels. In short, Forte is still far from achieving occupancy levels that will permit it to start jacking up rates. The recovery looks slow and the price expensive for a company which, with luck, will only just be able to cover a held dividend this year.

Blue Circle

The City used to be pretty sniffy about Blue Circle Industries, but notwith*standing a 13p fall in the share price* yesterday the company now enjoys a sizeable fan club. If there is a problem, though, it is not in last year's numbers, which were bang in line with expectations and contained encouraging evidence that margins in the increasingly important home product activities have generally held up. Nor should investors be unduly worried about the widespread profit downgradings for the current year: these appear to have been prompted mainly by news that under new accounting standards profits on the disposal of a major Singapore property will not now be taken above the line.

If there are worries, they stem in the short term from the twin price and *cost pressures on UK cement margins,* and in the long term from nagging doubts about BCI's real talent for home products. After all, it is hard to deny that the company overpaid for its diversification, and that shareholders' funds have been diminished by a string of balance sheet write-downs.

Major focuses on housing, schools and inner cities

By Ralph Atkins in London

MR JOHN MAJOR, the British prime minister, yesterday set *housing, education and inner* cities as priorities for the first session of the new parliament as he continued his wide-ranging ministerial reshuffle.

As the opposition Labour party's deputy leadership race expanded to a four-candidate contest which threatens to exacerbate its internal divisions, the new Conservative cabinet met for the first time since the general election last week. It started work on a parliamentary programme that will last until the autumn of 1993.

The programme is almost certain to include a Housing Bill, incorporating "rights to *improve", giving compensation to* tenants of publicly owned homes who make improvements to them, and "rents-to-mortgages" schemes which will allow public housing tenants to take a part share in their homes.

"Commonhold" legislation would also give residential leaseholders in privately owned blocks of flats the right to acquire the freehold of the block at the market rate.

Mr Michael Howard, the new environment secretary, is also pushing for legislation on inner cities, possibly to establish a Urban Regeneration Agency to develop derelict land.

Mr Major wants an emphasis on his Citizen's Charter proposals and on education in the next parliament but legislative proposals have yet to be agreed.

Other measures in the next parliament will be bills which failed to complete their parlia*mentary stages before the elec*tion. They include an asylum bill to tighten immigration procedures and a new finance bill. Mr David Mellor, the new national heritage secretary, will unveil legislation for a national lottery.

Also in the programme will be a short bill allowing the government to start working with private sector advisers on the privatisation of British Rail – although the form of the sell off has still to be decided.

Mr John MacGregor, transport secretary, may also press for an early move towards deregulating London's buses.

Mr Major yesterday named Sir *Rodric Braithwaite, Britain's* Ambassador in Moscow, to replace Sir Percy Cradock as foreign affairs adviser.

Meanwhile the race for Labour's deputy leadership was joined last night by Mrs Margaret Beckett, shadow chief secretary to the Treasury, and Mrs Ann Clwyd, overseas development spokesman. Mr John Prescott, transport spokesman, and Mr Bryan Gould – who is also standing for leader – are also candidates.

Mrs Beckett appears the favourite to win as deputy leader. The leading candidate to replace Mr Neil Kinnock as leader is Mr John Smith, *who* would have become chancellor of the exchequer if Labour had won the election.

Diver Rick Geschrey is lowered by crane into the flooded basement of the Chicago Board of Trade building. Page 6

Champagne row bubbles over

By Richard Gourlay in London

FRANCE'S fiercely protective champagne producers yesterday blocked an assault on the integ*rity of their famous name by a* traditional English cordial marketed as "elderflower champagne".

Justice Robert Reid ruled in *the High Court in London that* the maker of the soft drink, based in Surrey, southern England, should print no more labels that included the word *"champagne", pending final* resolution of a complaint from champagne maker Taittinger and the French champagne industry.

Mr Guy Woodall, an owner of the Thorncroft Vineyard partnership that distributes the drink, said he was confident the French would lose their case, which *claims he is damaging the* region's famous reputation.

"We think it wrong that a per*fectly well-known name should* be legislated out of the English language because of the monopolistic interests of French wine growers," Mr Woodall said.

He said elderflower champagne and other traditional "small beers", like barley water and ginger ale, have been around since the Middle Ages, when peo*ple tried to avoid contamination* by boiling water, flavouring it with herbs, dandelions or nettles, and fermenting it lightly.

Mr Woodall said he had taken *an old recipe for elderflower* champagne, removed the alcohol and used carbonated water.

The controversy bubbled up last November, when the elder*flower drink began to be sold in* bottles with wired champagne-style corks, seven years after the recipe first appeared on the back of Thorncroft Vineyard's concen*trated elderflower cordial.*

The drink is mainly sold through health food shops, and *has a reputation for* "clearing the system" and warding off flu.

But with sales of only 100,000 bottles since November, it is hardly a threat to the *grandes marques champagne houses from* the exclusive 85,000 acre region north-east of Paris which has been producing champagne since Roman times.

The champagne industry, however, jealously guards its name. It has successfully prevented a company on Spain's Costa Brava from passing off its sparkling *wine as champagne,* and the British Babycham company no longer uses the term "champagne perry" for its pear-based drink.

From 1993 the EC is banning the description of *methode champenoise* on all but labels of champagne. The French have not, however, managed to extend *their influence to North America* where New York and Canadian "champagnes" are available.

EC plans over CO_2

Continued from Page 1

their programmes. In their absence, the [energy] tax *becomes omnipresent".*

The two directives causing problems yesterday will come up again for discussion by the full Commission within two to three *weeks. There may then be* attempts to fold them into the centrepiece directive containing the energy tax.

Mr Carlo Ripa di Meana, envi*ronment commissioner,* had wanted to present a rounded strategy to a pre-Rio ministerial meeting of EC environment and development ministers on May 4.

The Commission itself is now unlikely to make up its mind until May 6 or May 13. This would leave the environment ministers' meeting due on May 26 *as the last chance to formulate* a greenhouse gas strategy to take to Rio.

World Weather

		°C	°F			°C	°F			°C	°F
Ajaccio	S	15	59	Boulogne	R	6	43	Frankfurt	C	10	50
Algiers	S	21	70	Brussels	R	7	45	Geneva	F	9	48
Amsterdam	R	7	45	Budapest	F	17	63	Gibraltar	S	23	73
Athens	F	19	66	Buenos Aires		–	–	Glasgow	F	7	45
Bahrain	S	31	88	Cairo	S	22	72	Helsinki	Sl	2	36
Bangkok	F	37	99	Cape Town	F	21	70	Hong Kong	S	25	77
Barcelona	F	15	59	Caracas	F	29	84	Innsbruck	F	11	52
Beijing	S	18	64	Casablanca †	S	23	73	Inverness	C	6	43
Beirut	C	17	63	Chicago †	C	7	45	Islamabad	F	30	86
Belfast	S	8	46	Cologne	R	8	46	Istanbul	S	13	55
Belgrade	S	20	68	Copenhagen	R	6	43	Jakarta	R	32	90
Berlin	R	13	55	Corfu	F	17	63	Johannesburg		–	–
Biarritz	C	12	54	Dallas †	C	22	72	Lisbon	C	15	59
Bombay	S	32	90	Dublin	F	8	46	London	C	5	41
Bordeaux	C	14	57	Dubrovnik		–	–	Los Angeles †	C	16	61
				Edinburgh	F	7	45	Luxembourg	R	5	41
				Faro	S	23	73	Madeira	S	18	64
				Florence	F	17	63	Madrid	F	16	61

		°C	°F			°C	°F			°C	°F
Majorca	S	21	70	Oporto	S	14	57	Tenerife	S	21	70
Malaga	S	25	77	Oslo	F	3	37	Tokyo	F	15	59
Malta	S	18	64	Paris	S	11	52	Toronto †	S	0	32
Manila	C	34	93	Prague	F	16	61	Tunis	S	19	66
Melbourne	C	22	72	Reykjavik	F	6	43	Valencia	S	25	77
Mexico City	C	26	79	Rhodes	S	17	63	Venice	S	14	57
Miami †	S	22	72	Rio de Janeiro	C	35	95	Vienna	C	16	61
Milan	R	10	50	Rome	F	16	61	Warsaw	S	16	61
Montreal †	S	-1	30	Salzburg	F	14	57	Washington †	C	8	46
Moscow	F	10	50	S'Francisco †	F	13	55	Zurich	C	7	45
Munich	R	6	43	Seoul	T	5	41				
Nairobi	C	25	77	Singapore		–	–				
Naples	F	16	61	Stockholm	C	2	36				
Nassau	[illegible]	26	78	Strasbourg	C	13	55				
New Delhi	S	33	91	Sydney	S	23	73				
New York †	S	6	43	Taipei	F	26	79				
Nice	F	13	55	Tangier	S	19	66				
Nicosia	S	17	63	Tel Aviv	F	20	68				

Temperatures at midday yesterday
† Noon GMT temperatures
C – Cloudy Dr – Drizzle
F – Fair Fg – Fog H – Hail
R – Rain S – Sunny
Sl – Sleet Sn – Snow
T – Thunder

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INSIDE

Apple loses US copyright case

Apple Computer has suffered a stunning defeat in its landmark copyright infringement suit against competitors Microsoft and Hewlett-Packard with the dismissal of most of Apple's claims by a San Francisco court. Page 22

Sega sees profits rise

When most Japanese companies are slashing profits forecast, video game maker Sega Enterprises has decided its own earnings estimates have been too conservative. But this week, the company lost a legal battle over patent infringement in the US, prompting industry concern on further American and European litigation. Page 25

Upjohn up 8% in first quarter

Upjohn, the US pharmaceuticals company, yesterday announced first-quarter earnings of $143.7m or 80 cents a share against $133.3m or 73 cents a year earlier. Sales rose 9 per cent to $871.9m from $799.4m. Page 22

Smiths drops 12.6%

Smiths Industries, the UK defence and aerospace components group, reported a 12.6 per cent drop in the group's pre-tax profits to £44.3m ($78m) in the six months to February 1, even though turnover rose from £288m to £307.4m. The group may soon be on the acquisition trail again as a means of diversifying out of the troubled defence and civil aerospace sectors. Page 27

Haden MacLellan falls to £14m

Haden MacLellan Holdings, the industrial conglomerate, suffered difficult trading conditions in its main markets and saw pre-tax profits fall from £23.6m to £14.6m ($25.7m) in 1991. Page 28

Bolivia poised for a tin boom

Bolivia, left for dead by the world mining industry when the bottom fell out of the tin market during the 1980s, may yet see the resurgence of its once flourishing mining sector. Excited mining analysts and businessmen claim the country is on the threshold of a boom not seen since the days of the tin barons of the 19th century. Page 36

Market Statistics

Companies in this issue

Chief price changes yesterday

FRANKFURT (DM)

Rises			
Colonia Konz Pf	585	+	10
Continental AG	271	+	6
Deutsche Babck	175	+	4.8
Kali & Salz	155	+	6.5
Schmalbach Lub	552.5	+	15.5
Falls			
Philips Kommun	555	−	14

NEW YORK ($)

Rises			
Amer Airlines	71⅞	+	3
Caterpillar	53⅝	+	4⅛
Int Paper	74⅝	+	2¼
Microsoft	128½	+	11½
Sprint	23⅛	+	1¾
Falls			
Centocor	19	−	12½

New York prices at 12.30

PARIS (FFr)

Rises			
Cetelem	828	+	44
Essilor Int	452	+	23
GTM-Entrepose	400	+	20
Legrand	4735	+	235
Merlin-Gerin	550	+	22
Printemps (Au)	786	+	28

TOKYO (Yen)

Rises			
Asahi Optical	385	+	45
Hokuetsu Bk	539	+	80
Matsushita-Kot	1910	+	280
Shimura Kako	659	+	80
Tokico	362	+	42
Toyo Glass	1460	+	200

LONDON (Pence)

Rises							
Alex Workwear	73	+	16	Sanderson Elec	147	+	12
Atlas Conv Eq	585	+	60	Tie Rack	40	+	9
BAT Inds	736	+	19	Wimpey	26	+	3
Beckenham	10	+	4	Wheway	22	+	2½
Carlton Comms	614	+	28	**Falls**			
Eleco	45	+	5	Aviva Pet	103	−	8
GKN	390	+	20	Bilston	39	−	3
Gardner (DC)	31	+	7	Blue Circle	272	−	13
Glynwed	283	+	21	Fresh Tech	47	−	5
Higgs & Hill	78	+	4	Manling	50	−	7
Hillsdown	192	+	16	Petrocon	29	−	6
LASMO	211	+	11	Tarmac	139	−	6
RMC	830	+	24				

Air France cuts losses to FFr685m

By Alice Rawsthorn in Paris

AIR FRANCE, the French state-owned airline which recently concluded a partnership deal with Sabena of Belgium, cut its losses in 1991 to FFr685m ($122.3m), compared with a deficit of FFr717m in the previous 12 months.

The airline, together with its international competitors, suffered from the impact of the Gulf war on air travel during the first half of last year when it posted a net loss of FFr1.16bn. However, it managed a recovery in the second half and broke even at an operational level. For the year as a whole, operating profits stood at FFr213m, against an operating loss of FFr1.14bn the previous year.

Air France, which owns Air Inter, the domestic French airline, and UTA cargo service, as well as its international airline, reduced operating costs 1.1 per cent during the year.

The group experienced an overall increase in turnover of 1.4 per cent to FFr57.6bn during 1991. This was because of a modest rise in prices, which countered the effect of a real decline in traffic in both the passenger and cargo sectors.

Air France had to swallow an increase in financing costs during the year, mainly because of the impact of the 37 new aircraft of which it took delivery in 1991. It was also hit by provisions of FFr700m to finance its restructuring in 1992 and 1993. This will include shedding staff and internal reorganisation.

The contribution from exceptional gains fell from FFr1.93bn in 1990 to FFr1.56bn in 1991, in spite of the proceeds of the sale of its Paris headquarters at Square Max Hymans in south western Paris.

The Sabena deal, completed last week, involves Air France and its Belgian financial partners injecting BFr6bn ($29.4m) into the Belgian airline in return for a 37.5 per cent stake. The Belgian government will also invest BFr9bn in Sabena. The deal involves forging commercial and managerial links between the two airlines.

Air France's investment in Sabena forms the latest part of its long-term strategy of broadening the base of its business across the international airline industry. Earlier this year it led a consortium of investors to take a 40 per cent stake in Ceskoslovenske Aerolinie (CSA), the Czechoslovakian state airline, in a $60m deal.

French water group falls 18%

By Alice Rawsthorn in Paris

LYONNAISE des Eaux-Dumez, the expansive French water and construction group, yesterday announced an 18 per cent fall in net profits from FFr1.42bn ($250m) in 1990 to FFr1.17bn in 1991.

The decline was due to a steep increase in provisions on its leisure sector construction interests and on the Channel tunnel project.

Mr Jerôme Monod, chairman, said the group was showing signs of recovery from last year's difficulties and net profits for this year "will be close to the level of profits for 1990".

Lyonnaise like Générale des Eaux, the other big French water and construction group, has diversified into new areas of activity and different countries in recent years.

It warned the stock market in January that profits might have been reduced by as much as 20 per cent.

As a result, its shares were relatively stable after today's announcement.

In Paris yesterday the share price slipped by just FFr1 in a buoyant market to FFr513.

The group had to make hefty exceptional provisions of FFr2.1bn last year mainly because of the effect of the economic slowdown on its leisure and hotel construction projects.

It also suffered from the dispute over extra costs with Eurotunnel, its client on the Channel tunnel scheme, and the poor performance of Westburne, its Canadian subsidiary involved with building materials and electrical equipment distribution.

However, Lyonnaise, which has made sizeable asset sales in the past year, helped compensate for the hefty provisions by making gains of FFr1.9bn on such disposals.

At an operational level the group said the lacklustre economic climate had affected all its businesses in and outside France.

However, turnover rose by 21.5 per cent to FFr87.5bn during 1991.

The rate of turnover growth on a comparable basis – excluding the effect of changes in exchange rates – was around 10 per cent.

In spite of the decline in net profits, the board proposed holding the dividend at FFr10 a share given the more encouraging outlook for the current year.

Simon London on the way UK companies are refinancing cheap loans

Finding new routes to debt refunding

UK companies are now having to repay cheap debt finance raised from banks and the bond market in the late 1980s.

Refinancing which has taken place so far suggests that corporate cash is likely to come from greater range of sources, but at a higher price this time around the economic cycle.

Companies have strengthened their balance sheets over the past two years, repaying some debt either with fresh equity finance or out of cash flow.

The corporate sector financial deficit, the net amount of debt owed by UK companies, peaked at 5 per cent of gross domestic product in 1990, or £5.23bn ($9.23bn). By the end of last year however, net company borrowing had been reduced to less than 2 per cent of GDP, or £2.48bn.

Some restructuring was achieved through the equity market last year, as institutional investors moved money into shares ahead of an anticipated economic recovery.

In all, UK companies raised £10bn from rights issues. Much of it was used to repay outstanding debt.

However, many companies will still have to repay debts arranged in the late 1980s at very low rates. One source of cheap debt was the syndicated bank loans market.

A favourite funding vehicle for company treasurers in the late 1980s was the five-year multi-option facility (MOF), a type of flexible loan package designed to provide the company with a core committed loan and an uncommitted facility in which a large number of banks competed to participate.

Competition among banks to participate drove the price of debt funding down to extremely fine levels. For example, in May 1987 Booker, the food and distribution group, signed a £135m five-year multiple option facility with a group of banks led by Chase Investment Bank, at an interest rate of just 0.0625 percentage points over the London interbank offered rate (Libor).

This was not exceptional. Companies which signed five-year multi-option facilities in the same year included Bowater, BTR, Burton, Crest Nicholson, Dixons, Grand Metropolitan, Hillsdown Holdings, Queens Moat Houses, Rolls-Royce, Saatchi & Saatchi and Tesco. All gained access to funding at an interest rate less than 0.15 percentage points over Libor.

Treasurers insist that complex loans such as MOFs are dead

Another source of cheap finance was convertible bond issues. By offering conversion into equity at a time of rising share prices companies could raise debt at very low interest rates, often around 4 per cent.

However, the share prices of many companies have performed badly since the convertible bonds were issued and are unlikely to reach the conversion price. Bond holders will not convert into equity. Instead, the debt will have to be repaid.

Some companies have both MOFs and convertible bonds maturing. For example, Hillsdown Holdings must deal with a £150m convertible bond issue by December if its share price, which yesterday closed at 192p, does not reach 397p. The company also signed a £300m five-year MOF in December 1987, at a cost of 0.10 percentage points over Libor.

It is clear that refinancing is not taking place through big syndicated banking facilities. Company treasurers insist that complex loans such as MOFs are dead.

Instead, companies are arranging credit lines with individual banks, valuing committed funding from a smaller number of relationship banks.

For example, Grand Metropolitan last year arranged a $2.5bn loan with a group of 34 banks to refinance an existing loan from more than 60 banks. Like many other companies over the last year, Grand Met arranged the facility itself.

"We wanted to emphasise the relationship nature of the transaction by going to the banks one-by-one and choosing the participants," commented Mr Simon Martin, assistant treasurer.

It is clear that the cost of bank finance has increased sharply since the late 1980s. Grand Metropolitan raised new money last year at interest rates up to 0.50 percentage points over Libor.

One reason for the increase in the cost of bank finance is the pull-back of Japanese banks from the UK market, due in part to the falls on the Tokyo stock market. Bankers estimate that Japanese banks accounted for 40 per cent of the UK corporate loans market in the late 1980s, but only about 10 per cent today.

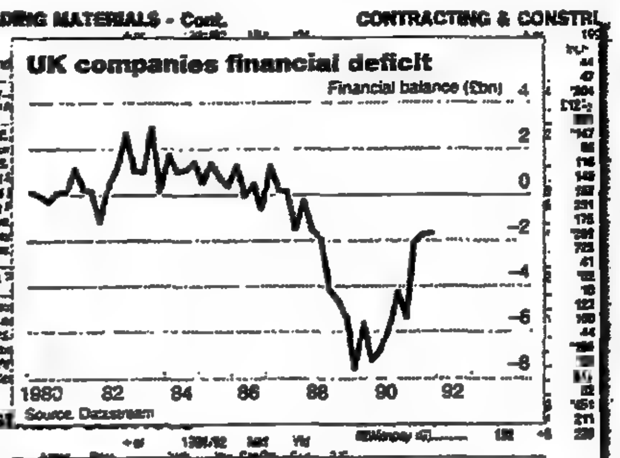
With this in mind, companies are also looking to raise debt finance from institutional investors, particularly in the US market. Bigger companies can raise debt overseas from public bond issues. For example, Grand Metropolitan last year raised $900m in the US public bond market.

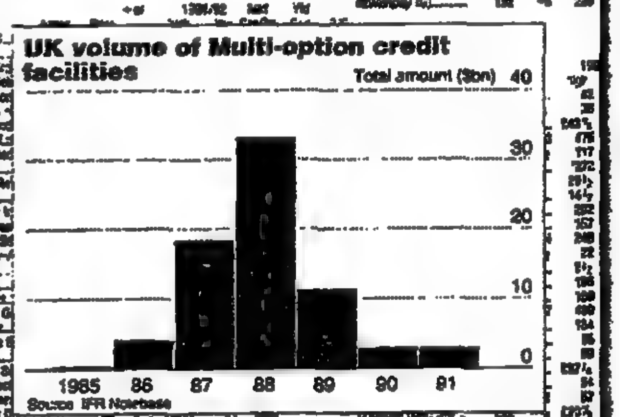
"We are well aware of the capital constraints facing banks and were looking to diversify our sources of funding," said Mr Martin. Smaller companies are placing debt securities privately with US institutional investors. Foreign issuers – many of them British – raised $22bn in the US private placement market last year.

Hillsdown is an example of a highly-geared company which spent the past two years restructuring its balance sheet and lining up funding to repay cheap debt raised in the late 1980s. The company raised £285m from a rights issue in October last year; £100m was raised in July from debt placement with with US institutional investors; bilateral loan facilities have been put in place with relationship banks to cover maturing debt.

The company is also considering a "club" loan on the model followed by Grand Metropolitan last year, believing that better terms can be achieved from relationship banks than large syndicated loans.

"We have already addressed the issue of refinancing. We can now deal with the maturing MOF and the convertible bond issue within existing facilities," said Mr Nick Mariscotti, treasurer.





Banks fail to woo investors over Midland acquisition

By Norma Cohen and David Barchard in London and Simon Holberton in Hong Kong

INSTITUTIONAL investors in Midland Bank yesterday gave a chilly response to a briefing for shareholders designed to build support for the bank's acquisition by Hongkong and Shanghai Bank.

Shareholders said they were disturbed by the absence of specific figures on cost savings from the merger, and the lack of detail on the £190m ($336.3m) charge to cover rationalisation costs.

In the joint briefing, Midland chairman Mr Brian Pearse, Mr John Gray, deputy chairman of HSBC Holdings, Hongkong Bank's parent, and Mr Bernard Asher, a director on both banks' boards, sought to persuade shareholders of the advantages of the proposed £3.1bn takeover. They emphasised the benefits for shareholders of a company likely to gain from growing Asian trade with the west and the synergies to be created.

Mr Pearse also told shareholders, without mentioning Lloyds Bank by name, that monopolies officials would be likely to veto a takeover between two UK banks and that it would be likely to produce fewer cost savings than imagined.

However, institutions said that in addition to disappointment over the price they are being offered for their shares, they were chary of the multinational bank to be created by the takeover. They believe HSBC's desire to acquire Midland reflects its fears about political stability of its home market after 1997.

In the City of London, opinion was divided over whether fund managers would accept HSBC's terms this week and whether Lloyds Bank or another bidder would make a rival bid.

"I think it is basically a done deal," said Mr Mike Fesemeyer at Nomura Research Institute.

There was thin trading in London in Midland shares which closed at 364p, down 1p on the day.

The Kuwait Investment Office again failed to sell 60m Midland shares placed on the market yesterday, though it is believed to have received interest for about a third of the shares.

HSBC's shares rose HK$1 to HK$40.25 yesterday, increasing the value of its all-paper bid by 7.5p to 385.5p per Midland share.

O&Y bondholders grant reprieve

By Bernard Simon in Toronto

THE HOLDERS of an $800m Eurobond issued by Olympia & York have indicated that they will not yet declare the cash-strapped Canadian property developer in default, in spite of its failure to make a scheduled interest payment.

O&Y was to pay annualised interest totalling $62m on March 25 to holders of the bond, which is not publicly traded and is secured by one of the towers of New York's World Financial Centre. A 20-day grace period expired last Tuesday without payment being made.

The World Financial Centre in lower-Manhattan is almost fully occupied and is assumed to be one of O&Y's healthiest properties. O&Y's failure to pay interest on the bond suggests that rent income has been channelled into less liquid parts of the company and underlines the weakness of its strategy of dividing up its debt restructuring among about a dozen different lender groups.

The bondholders, mostly Japanese institutional investors, are represented by Nomura Securities. At a recent meeting in Tokyo chaired by Nomura, they are understood to have agreed to extend the grace period.

O&Y has assured them that the value of the building is adequate to cover the principal amount of the loan. Much the same arrangement was made last month with banks which provided a C$450m ($381m) construction loan secured by the 68-storey Scotia Plaza tower in Toronto. The principal on the Scotia Plaza loan was due on March 31.

At a meeting with lenders earlier this week, O&Y proposed a 90-day freeze of all principal repayments on its $12bn debt, as well as some deferrals of interest. It also requires £100m ($176.5m) of new money for London's Canary Wharf and just under C$100m for its Canadian operations.

Mr Steve Miller, who is heading O&Y's restructuring effort, said the company eventually hopes to repay its debts in full but concessions will be required from lenders.

O&Y has also failed to make payments on a Canadian commercial paper programme. Redemptions, totalling about C$200m, are awaiting completion of the sale and leaseback of Exchange Tower, a 36-storey building in central Toronto, which is the security for the CP programme.

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Period	US$	£
1 calendar year (1991)	22%	27%
5 calendar years (1987 - 1991)	84%	45%
Since launch (1986 - 1991) (6 calendar years)	132%	78%

*Source: Micropal's published daily prices.

For more information on Guinness Flight's Global Bond Fund, call Jamie Kilpatrick on 0481 712176 or return the coupon to Guinness Flight Fund Managers (Guernsey) Limited, Guinness Flight House, PO Box 250, St Peter Port, Guernsey, Channel Islands.
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Deere pulls out of accord with leading competitors

By Haig Simonian in Milan

DEERE & CO, the troubled US construction equipment maker, has pulled out of the three-way alliance with Fiat of Italy and Hitachi Construction Machinery of Japan.

The decision has thrown into doubt the future of the deal, which was seen as a response by three leading construction equipment makers to the crisis facing their recession-hit industry.

The US group said the agreement signed in November last year to explore a joint venture stipulated that a final decision on the accord would be made after a period of evaluation and discussion.

"As a result of that evaluation, we decided that it was not in the interest of Deere & Co to proceed," the company said.

Hitachi confirmed that it would continue discussions with Fiat but would not elaborate. Fiat, which may have the most to lose from the Deere move, said the two remaining partners, which already had a joint venture arrangement before the latest deal, had decided to press ahead.

However, they are now likely to change substantially the nature of the agreement, possibly reducing its scope or even seeking an alternative partner.

The Fiat-Hitachi-Deere link envisaged the creation of a new company to be majority-owned by Fiat. The new venture would use the Italian group's existing sales network in Europe, the Middle East and Africa.

Fiat would have contributed its earth-moving equipment business, which is partly covered by an existing joint venture with Hitachi, while Hitachi and Deere would have contributed product and manufacturing expertise to the new company.

The arrangement was seen as advantageous for all sides as it would have helped to overcome the severe problems of over-capacity in the industry, which has already experienced considerable concentration in takeovers and co-operative ventures. It may even have paved the way for an eventual merger of the three companies' European construction equipment businesses.

The reasons behind Deere's decision are not known. It is believed that Deere was unhappy with the distribution arrangements for the backloader that it was to have contributed to the venture.

PepsiCo's party line prevails in Poland

By Christopher Bobinski in Warsaw

POLISH investors learnt a bitter lesson about small shareholders' influence over company policy at the first annual meeting of Wedel, the confectionery producer which is 40 per cent owned by PepsiCo Foods International, the US food snacks concern.

About 200 shareholders turned up at the annual meeting, many of them angry that Wedel had decided not to pay a dividend out of its 1991 profit of Zl 163bn ($12.2m).

It was left to Mr James O'Neil, who heads PepsiCo Foods' north European division, to field repeated questions about the dividend decision. "It would almost be a sin to take profits from this company and not invest them," he said.

PepsiCo itself was investing a further $17m in the business this year or $2m more than expected under a five-year $56m capital-spending plan, he explained.

The shareholders' plea was *for a symbolic dividend* or an undertaking that dividends would be paid within two years.

"It's not that you haven't made yourself sufficiently clear but it's that we don't agree with your decision," a Polish investor replied to Mr O'Neil's explanation.

Mr O Neil, who had not spent 25 years in the salty snacks business to let an angry group of investors faze him, tried another tack. "All I can say is that the dividend question will be reviewed each year," he said.

Under the voting system, weighted toward the board, it received 6.9m votes while the shareholders managed to muster 43,141. The Polish *government, which holds* 1.14m votes, voted with PepsiCo.

The small shareholders did not hide their disappointment. "We took part in staged meetings like this for 45 years knowing that there was absolutely no point to them," said one, remembering the communist past.

ABB acquires 51% stake in Polish concern

By Sara Webb and Christopher Bobinski

ASEA Brown Boveri (ABB), the Swiss-Swedish engineering group, has acquired a 51 per cent stake in Elta, the Polish power transmission company, for $10.4m.

Elta, one of the first companies in Poland's power generation sector to be privatised, manufactures transformers, static converters and electrical equipment for trains.

ABB signalled its interest in Elta about two years ago. The *Swiss-Swedish group* has steadily built up its presence in the Polish market. It has two joint ventures – ABB-Dolmel, in the power generator business, and ABB-Zamech, which makes turbines. ABB's other operations in Poland produce signal equipment, desulphurisation equipment and telecommunications parts.

ABB said it would take responsibility for the management of the Elta, which would be consolidated in the ABB group. It plans to modernise the existing production of transformers.

Skanska profits halve after write-downs

By Sara Webb in Stockholm

SKANSKA, Scandinavia's largest construction and property company, said profits for 1991 more than halved, following huge write-downs on properties and share investments.

The Swedish group's profit after financial items plummeted to SKr1bn ($168m) last year – from SKr2.36bn in 1990 – after write-downs amounting to SKr1.47bn.

Skanska proposed raising the dividend to SKr3.25 from SKr3.13 and said it did not expect profit after financial *items for 1992 to fall* below the 1991 level of SKr1.001bn.

Group revenue dropped by 10 per cent to SKr33.55bn in 1991, with revenue from the contracting operations falling 13 per cent to SKr30.4bn. Skanska's rental revenue, both from development properties and from property management, increased to SKr3.12bn from SKr2.43bn.

The fall in real estate prices – both in Sweden and abroad – has forced Skanska to write down its development and investment properties by a total of SKr1.16bn.

● Standard & Poor's, the US credit rating agency, yesterday placed the ratings of Skandia, Hafnia and Uni Storebrand on CreditWatch following last week's announced deal between the three Scandinavian insurance groups.

Under the proposed deal, Skandia of Sweden will take over Hafnia of Denmark and will sell most of its own international reinsurance business to Uni Storebrand of Norway.

S&P has placed Skandia International Insurance's AA claims paying ability, AA *senior debt rating and A1 plus* commercial paper rating on CreditWatch with negative implications.

Uni Storebrand's A1 commercial paper rating has been placed on CreditWatch with negative implications.

Hafnia Insurance Group's A claims-paying ability and its merchant bank's A2 Eurocommercial paper rating have been placed on CreditWatch with developing implications, which means they could be either raised or lowered. S&P said the proposed takeover was likely to be positive for Hafnia.

Fortis shows 3.7% improvement

By Andrew Hill in Brussels

STRONG profits growth in Fortis's life, accident and health insurance businesses helped the Dutch-Belgian insurance company to an Ecu408m ($331.7m) net profit last year, up 3.7 per cent on the 1990 figure of Ecu393m.

Fortis – formed in 1990 from a merger of the activities of Amev, the Netherlands' third largest insurer, and Groupe AG, Belgium's largest insurance company – said it expected operating profits to rise again in 1992, barring unforeseen circumstances.

Amev is proposing an increased dividend of Fl 3 (Fl 2.85) a share, while Groupe AG expects to pay BFr46 (BFr41.25) a share.

Mr Maurice Lippens, co-chairman of Fortis, welcomed the "spectacular results" of Amev's recently established venture with VSB, the largest Dutch savings bank and a Fortis subsidiary, to sell insurance products through its branches.

Fortis is becoming increasingly involved in the growing bank-insurance sector. AG and Générale de Banque of Belgium are in talks about a deal similar to that with VSB. Mr Lippens, who is also chairman of AG, would not be drawn on the details or the progress of the talks, though he underlined their difficulties.

Operating profit in the life insurance sector rose by nearly 17 per cent to Ecu147m, from Ecu126m the previous year.

Operating profit in accident *and health insurance rose to* Ecu73.9m, against Ecu58.1m. Only poor results from the Spanish car and fire insurance operations and from the group's City of London subsidiary – since closed – held back profits on insurance.

Profit from banking activities rose from Ecu37.2m to Ecu53.8m, of which Ecu51.2m was interest on group equity, compared with Ecu46.5m.

The group's total revenues increased by 19 per cent to Ecu7.47bn from Ecu6.3bn.

Tarmac cuts dividend sharply as profits plunge 90% to £21m

By Angus Foster in London

TARMAC, the UK's largest housebuilder, yesterday continued the string of poor results from construction companies when it announced sharply lower operating profits combined with large provisions to send pre-tax profits down nearly 90 per cent to £21m ($37m) from £190.7m a year ago.

The company is recommending a sharp cut in its final dividend to 2.5p from 8.25p to make an uncovered total of 5.5p, less than half last time's 11.25p. The shares fell 6p to 139p.

Mr Neville Simms, who took over as chief executive earlier this year while Sir Eric Pountain remained as chairman, said 1992 was expected to remain difficult and interim profits likely to be well *down* on last time's £18.2m.

Mr Simms said a key objective was to reduce debt, which increased more than 10 per cent to £456.9m and took the company's debt/equity ratio to 51 per cent if US dollar denominated auction market preferred stock was included.

Tarmac wants to reduce that ratio to about 25 per cent, suggesting more than £200m of assets are up for sale. Disposals are likely in industrial products, building products and in Tarmac America, allowing the company to focus on core areas of quarry products, housing and construction.

Over the past two years Tarmac cut its workforce by 16 per cent, or more than 5,000 jobs. Rationalisation costs last year totalled £12.3m.

Turnover fell to £3.23bn from £3.61bn due to reduced volumes in most businesses. The quarry products division was affected by price competition, leading to reduced margins. UK housing sales fell nearly 2,000 units to 9,327.

Timing for an upturn in the *housing market* remained uncertain, although Mr Simms said Easter would provide a pointer to whether the election result had improved consumer confidence.

Profits before exceptional items slumped to £60m from £190.7m. The company is making exceptional provisions of £45m, which includes including a £12m charge for its share of the Channel tunnel, and £10m of provisions to cover falling land values. There was an exceptional profit of £6m from sales of Eurotunnel warrants.

Lex, Page 18

Net income at Eurocom slides 5.2%

By Alice Rawsthorn in Paris

EUROCOM, the French marketing group which recently took over RSCG, one of its closest competitors, saw its net income fall by 5.2 per cent to FFr183.1m ($32.6m) last year because of the depressed state of the European advertising market.

Eurocom, which is linked to the Havas group of media companies, is the biggest single player in French advertising and has recently pursued a policy of aggressive expansion into other areas of marketing and other countries.

The group experienced a slight decline of 3 per cent in consolidated billings to FFr23.1bn during 1991.

Eurocom, in common with the rest of the international marketing services industry, was affected first by the disruption caused by the Gulf war in the opening months of the year and later by the slowdown in leading markets, notably the US and UK.

It was also hit by a fall in income from Aegis, the London-based media buying group in which it is a shareholder.

Eurocom's net income after amortisation of good will and extraordinary profits fell from FFr553.7m in 1990 to FFr146.1m in 1991. But in 1990 Eurocom benefited from FFr406m of extraordinary profits from the sale of the TPI packaging and Unimas supermarket businesses.

Eurocom held its dividend at FFr32.25 a share for the second successive year.

UK hotel groups fall sharply

By Michael Skapinker, Leisure Industries Correspondent

EMPTY UK hotel rooms caused full-year pre-tax profits at Forte to fall 62 per cent to £73m while the Savoy Group *fell 78 per cent to £2.3m.*

Forte, whose interests include restaurants and contract catering as well as hotels, said the Gulf war and the UK and US recessions had combined to make 1991 the worst year in almost a decade for the British hotel business.

Forte said: "The impact on our large portfolio of London hotels was particularly dramatic. There were sharp falls in the number of overseas visitors, particularly from the United States."

It said profits in its provincial hotels had been hit by cutbacks in the corporate market, compounded by a decline in leisure travel in the second half of 1991.

Mr Rocco Forte, chief executive, said occupancy in the group's London hotels had fallen 20 per cent in the first half of last year and 5 per cent in the second to give an overall drop for 1991 of 12 per cent.

In the provinces, occupancy fell 4 per cent over the year, with a slightly bigger drop in the second half. Mr Forte would not reveal last year's level of room occupancy.

Mr Giles Shepard, managing director of the Savoy Group, in which Forte holds 69 per cent of the shares and 42.5 per cent of the voting shares, said its London hotels had an occupancy rate of 60 per cent last year, compared with more than 70 per cent in 1990.

Lex, Page 18; Details, Page 28

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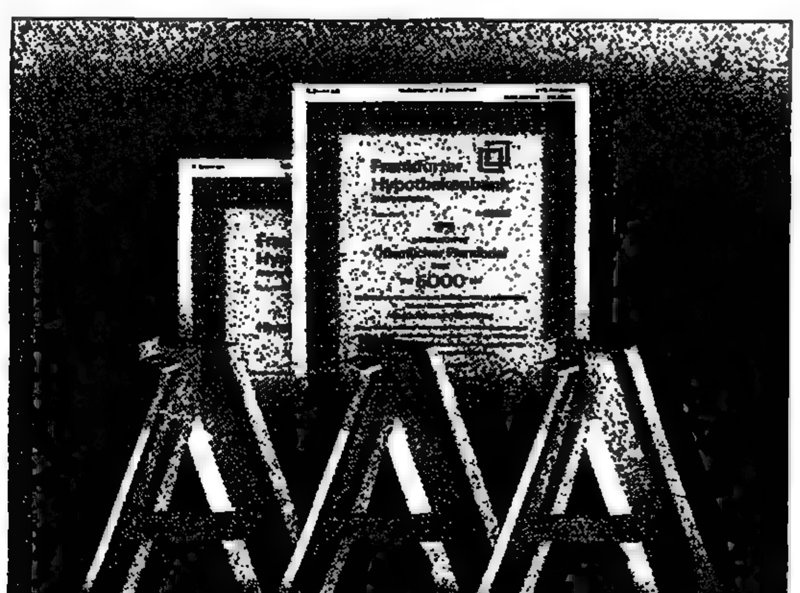

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COMMERZBANK

NOTICE IS HEREBY GIVEN that this year's Annual General Meeting of Commerzbank AG will be held in Frankfurt am Main on May 27, 1992, at 10.30 a.m.

AGENDA (abridged version)

1. To consider the Bank's established Annual Accounts, the Report of its Managing Directors on the Bank's Performance, the Report of its Supervisory Board, together with the Consolidated Annual Accounts and the Group Report, for the year ended December 31, 1991.
2. To approve the payment of a dividend of DM 10 per DM 50 nominal share, thereby also approving a payment to the holders of the Bank's profit-sharing certificates issued in 1985 of 10.25% of the latter's face value and one of 7% to the holders of the convertible profit-sharing certificates issued in 1990 and a payment of one quarter of 9.5% for 1991 to the holders of the profit-sharing certificates with option rights issued in 1991.
3. To approve the actions of the Board of Managing Directors during the financial year 1991.
4. To approve the actions of the Supervisory Board during the financial year 1991.
5. To authorise the Board of Managing Directors to issue up to DM 400 million of new shares at any time up to April 30, 1997 and to delete from the Bank's statutes the authorisation to raise the share capital by up to DM 200 million by April 30, 1992.
6. To reduce the conditional capital from DM 150 million to DM 75 million.
7. To authorise the Board of Managing Directors to issue *convertible bonds or bonds with warrants attached or* profit-sharing certificates, which may be convertible or have option rights attached, in an amount of up to DM 1.5 billion at any time up to April 30, 1997, and also to resolve on a corresponding conditional increase of the Bank's share capital.
8. To approve affiliation agreements (Unternehmensverträge) with four subsidiaries of Commerzbank.
9. To appoint Treuarbeit as auditors for the financial year 1992.

Shareholders in the United Kingdom who wish to attend and vote at the Annual General Meeting should inform either the London Branch of Commerzbank AG at 10/11 Austin Friars, London EC2N 2HE, or S.G.Warburg & Co. Ltd., 2 Finsbury Avenue, London EC2M 2PA, who will make the necessary arrangements. Such notice should be given by May 19, 1992.

Copies of the German version of Commerzbank's 1991 Annual Report will be available shortly from both Commerzbank AG and S.G.Warburg & Co. Ltd. The English version is currently being prepared.

COMMERZBANK AKTIENGESELLSCHAFT

CALLING OF THE ANNUAL GENERAL SHAREHOLDERS MEETING

Shareholders of Credito Italiano are called upon to attend the Annual General Shareholders Meeting to be held on April 23, 1992 at 3.00 p.m. in the bank's registered office in Genoa, Piazza De Ferrari (entrance in Via Dante 1). If necessary a second call will be held on May 14, 1992 at the same address and at the same time, to discuss the following

Agenda

1) The reports submitted by the Board of Directors and by the Statutory Auditors. The Financial Statements as at December 31, 1991 will be presented and the relative resolutions made.
2) Appointment of one Director.
3) Appointment of the Statutory Auditors and their Chairman after deciding their relevant annual emoluments. Appointment of two Alternate Auditors.
4) Renewal of the mandate regarding the auditing and certification of the Financial Statements and Consolidated Financial Statements for the period 1992-1994 to KPMG Peat Marwick Fides s.n.c. di G. Angiolini e C. and emolument due to same.
5) Proposal to charge the Company with the emolument due to the Representative of holders of savings shares.

All shareholders who possess ordinary shares which have voting rights may attend the meeting, providing they are listed in the Shareholders Register and have deposited their shares with any branch of Credito Italiano or with Monte Titoli S.p.A., at least five days before the date scheduled for the Annual General Meeting.

THE BOARD OF DIRECTORS

Credito Italiano

U.S. $50,000,000
Hyosung (America), Inc
(Incorporated with Limited Liability in the State of New York, U.S.A.)
Guaranteed Floating Rate Notes due 1996

For the three month Interest Period 16th April, 1992 to 16th July, 1992 the Notes will carry an interest rate of 4% per cent per annum, with a Coupon Amount of U.S. $584.55 per U.S. $50,000 Note, payable on 16th July, 1992.

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£200,000,000
Floating rate notes
due 1999

Notice is hereby given that the notes will bear interest at 10.55209 % per annum from 15 April, 1992 to 15 July, 1992. Interest payable on 15 July, 1992 will amount to £262.36 per £10,000 note.

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ACCOR

Corporation organised under French law (Société Anonyme)
Capital : French francs 2,172,510, 500
Head Office: 2 rue de la Mare Neuve - 91000 EVRY (France)
Registered Head Office: Corbeil Essonnes B 602 036 444

FIRST NOTICE TO HOLDERS OF 7¼% 1994 - 1999 BONDS OF USD 1,000 EACH, CONVERTIBLE INTO ORDINARY SHARES OF ACCOR

The holders of 7¼% 1994 - 1999 bonds issued by ACCOR and convertible into ordinary shares who were called to a General Meeting TO BE HELD AT 37, rue du Rocher - 75008 PARIS (France), on May 5, 1992 at 11 a.m., in order to consider the following agenda :

Approval of the shareholders' waiver of their preferential right to subscribe convertible bonds or bonds with warrants to purchase shares that the Mixed General Meeting of shareholders on May 6, 1992 (possibly postponed to May 14, 1992) will authorise the Board to issue.

Approval of the shareholders' waiver of their preferential right to subscribe warrants to purchase shares that the Mixed General meeting of shareholders on May 6, 1992 (possibly postponed to May 14, 1992) will authorise the Board of Directors to issue.

Decision on the method of recording the documents of the General Meeting.

To authorise the bondholders to attend or to be represented at this meeting, the bonds or their deposit receipts must be deposited at least five days before the date of the meeting, at the offices of the banks having participated in the placing of these bonds and from whom proxies or admission cards can be requested. This meeting shall be validly held if the holders of twenty five per cent of the outstanding bonds are present in person or represented.

The Board of Directors

When you help clients get results, charts like these tend to take care of themselves.

For the thirteenth consecutive quarter, Merrill Lynch heads the list as the leader in global debt and equity underwriting as well as the leading U.S. underwriter. We see these results as concrete proof of what we offer in client service in all areas of our business. From issuance to distribution, our global capabilities are focused on the wide-ranging needs of our clients.

Top Global Underwriters of Debt and Equity

MANAGER	THREE MONTHS 1992 AMOUNT (in millions)	MARKET SHARE
Merrill Lynch	$38,740.3	12.8%
Goldman Sachs	29,171.5	9.6
First Boston	27,554.8	9.1
Lehman Brothers	26,694.0	8.8
Kidder Peabody	23,479.1	7.7
Salomon Brothers	20,221.7	6.7
Morgan Stanley	16,973.4	5.6
Bear Stearns	12,933.3	4.3
Donaldson Lufkin	7,531.0	2.5
Deutsche Bank	7,082.6	2.3
SUBTOTALS	$210,381.7	69.4%
INDUSTRY TOTALS	$302,959.4	100.0%

Source: Securities Data Co. The Wall Street Journal, 4/1/92

For the first quarter of 1992, our global underwriting total stood at $38.7 billion. The numbers tell a similar story in assets held in private client accounts. We are now at $440 billion, far more than our nearest competitor. These are challenging times. What worked yesterday may no longer work tomorrow. While techniques in financial architecture seemingly change in the blink of an eye, the foundation upon which we build is steadfast and solid. Each relationship we embark upon has as its base our strength, our commitment to client service and our knowledge. We continue to look forward to helping our clients raise the capital they need for their future growth.

Top Underwriters of U.S. Debt and Equity

MANAGER	THREE MONTHS 1992 AMOUNT (in millions)	MARKET SHARE
Merrill Lynch	$35,900.7	16.6%
Goldman Sachs	25,634.4	11.9
Lehman Brothers	25,177.7	11.6
Kidder Peabody	22,880.6	10.6
First Boston	22,199.1	10.3
Salomon Brothers	19,366.2	9.0
Morgan Stanley	15,246.6	7.1
Bear Stearns	12,834.0	5.9
Donaldson Lufkin	7,356.7	3.4
Prudential Securities	5,716.3	2.6
SUBTOTALS	$192,312.3	89.0%
INDUSTRY TOTALS	$216,141.0	100.0%

Source: Securities Data Co. The Wall Street Journal, 4/1/92

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Apple suit dismissed in surprise ruling

By Louise Kehoe in San Francisco

APPLE Computer has suffered a stunning defeat in its landmark copyright infringement suit against competitors Microsoft and Hewlett-Packard with the dismissal of most of Apple's claims by a San Francisco court.

Apple filed suit against Microsoft and Hewlett-Packard in 1988 charging that Microsoft's Windows program and Hewlett-Packard's NewWave program infringed upon the copyrighted computer screen displays of Apple's popular Macintosh personal computer.

In rulings issued late on Tuesday that surprised all parties, a San Francisco judge granted virtually all of Microsoft and Hewlett-Packard's arguments that elements of the computer displays, such as movable symbols or "icons" and overlapping windows, are not protected by copyright, either because they do not represent "unique expressions" or because they were covered by a 1985 licensing agreement between Apple and Microsoft.

The suit had cast a cloud over the runaway success of Microsoft's Windows, which provides ease-of-use features similar to the Apple Macintosh for IBM-compatible personal computers.

Microsoft has sold over 10m copies of Windows 3.0, a version of the program launched in June 1990.

Apple had been expected to seek damages of $5.5bn according to Microsoft, which recently disclosed the estimate of damages prepared for Apple by an independent expert.

Microsoft's stock price surged on news of the rulings, rising to $129 in midday trading yesterday from a Tuesday close of $117. Hewlett-Packard was up $1¾ at $81⅝, while Apple gained $¾ to trade at $59¾.

Although some issues in the case have yet to be resolved, the rulings have "substantially narrowed the areas of dispute" Mr Edward Stead, Apple's general counsel, acknowledged.

Microsoft and HP officials hailed the rulings as a victory. "Apple's case has been eviscerated," said Mr John Stark, an attorney representing Hewlett-Packard. "If it wasn't a complete victory, it was certainly at least a 95 per cent of the way," said Mr David McDonald, a lawyer for Microsoft.

"What remain are "miniscule" issues such as the appearance of a "trash can" image that symbolises the process of discarding unwanted data, said Mr Stark. "It now appears unlikely that the case will go before a jury," he added. "The case is over in terms of liability."

Apple is still analysing the rulings said Mr Stead. He indicated, however, he may ask Judge Walker to reconsider his rulings.

If that fails, Apple will continue to pursue the remaining elements of the case while considering an appeal.

However, Apple's chances of prevailing appear to have been significantly diminished. Lawyers on both sides said the judge appeared to have been strongly influenced by a recent appeals court ruling in a separate software copyright case that rejected the "overall appearance" approach.

In an appeal, Apple would have to persuade the same appeals court to reverse its opinion.

AT&T rises to $883m in quarter

By Karen Zagor in New York

AMERICAN Telephone and Telegraph (AT&T), the biggest US long-distance telephone carrier, yesterday reported a 17 per cent rise in its first-quarter net profits to $883m or 67 cents a share, from $758m or 59 cents a year earlier.

Revenues were $15.38bn, compared with $15.27bn in the 1991 first quarter. All the figures include NCR, the large US computer manufacturer AT&T acquired last September.

AT&T's sales of products and systems dipped 6 per cent to $3.45bn, after falling 7 per cent to $4.4bn in the fourth quarter, although sales of microelectronics components, consumer products, wireless and cable systems and undersea cable rose in the quarter.

Revenues from computer products and systems sales tumbled 16 per cent in the quarter. NCR, as a separate division, had operating income of $46m on revenues of $1.54bn. Its results include extraordinary charges from the company's merger with Teradata.

The recession in Europe and lower sales to some US telephone companies were blamed for a 7 per cent decline in revenues from telecommunications network products and systems business, which fell to $1.68bn.

Long distance calling volume rose 8 per cent in the quarter, while revenues from financial services jumped 32 per cent, reflecting growth from AT&T's Universal Card.

On Wall Street, shares in AT&T rose $¼ to $42⅞ at midday.

Shares in Sprint climbed $1⅞ to $23¾ after the third biggest US long-distance carrier turned in first-quarter earnings of $136m or 62 cents a share, against $84m or 38 cents in the same period of 1991.

Stripping out the impact of accounting changes, net income was $100m in the latest quarter, while earnings per share rose 18.4 per cent to 45 cents.

Operating income from Sprint's long-distance operations rose to $57m on revenues of $1.36bn, compared with income of $52m on revenues of $1.34bn a year earlier. Local operations had a record first quarter, with operating income of $178m on revenues of $714m, against $167m on revenues of $688m a year ago.

AMR returns to the black with $20m after-tax profit

By Nikki Tait in New York

AMR, the parent company of American Airlines, yesterday met its forecast of a small profit in the first quarter of 1992, turning in a surplus of $20m after tax.

American is one of the three largest US carriers, and only last week led an important revamp of domestic air fare pricing.

This was matched by many competitors but it was then undercut by Trans World Airlines and, to a lesser extent, USAir.

The modest first-quarter profit compares with the large $195m loss American made during the first quarter of 1991, when the Gulf war-related slump in traffic decimated the industry's profitability.

Mr Bob Crandall, AMR's forthright chairman, said that, although pleased to be in profit, he still viewed the results as "less than satisfactory".

He said he hoped the new pricing structure – which centres on four basic types of fares, all lower than previously offered in these classes, but discards the numerous discount products – would produce "the kind of financial performance we seek".

According to Mr Crandall, bookings with the airline have risen by 46 per cent since the new pricing plan was announced.

Industry observers, however, have wondered how long American's simplified system will "stick".

In the first quarter, American's revenues reached $3.51bn, compared with the depressed $2.77bn a year earlier.

Fuel costs were 13.7 per cent lower, at $411m, and total operating expenses rose 11.9 per cent to $3.37bn.

Revenue yield per passenger mile was up by 4.3 per cent to 13.98 cents, while the load factor increased by 1.8 percentage points to 58.3 per cent.

American is also in talks with Canadian Airlines, over the acquisition of a minority stake in the carrier.

Canadian told an airline industry conference in Toronto the two sides have agreed in principle on the size and terms of the investment, and that a services and marketing agreement could be finalised within weeks.

Mr Kevin Jenkins, president of Canadian, reportedly said he was "comfortable" with suggestions that AMR will acquire 25 per cent of Canadian for about C$200m (US$181.8m). Government agreements would then be required.

Record quarter for Bear Stearns

By Patrick Harverson in New York

WALL STREET securities house Bear Stearns yesterday reported record third-quarter profits of $91.3m, a near 60 per cent increase on earnings from the same quarter a year ago.

The company also announced a quarterly cash dividend of 15 cents a share on outstanding common stock.

The strong third quarter took earnings for the first nine months of Bear Stearns' fiscal year to $215.8m, which means profits are already running 50 per cent ahead of the $143m earned in the entire fiscal year 1990-1991.

The factors behind the company's record quarter were the same as those that have powered Wall Street earnings since the middle of last year: strong demand for bond and equity underwriting services, high levels of individual investor activity in the US stock market, and favourable trading conditions across all financial markets in the wake of declining domestic interest rates.

Bear Stearns' total revenues for the quarter were $531.3m, up 47 per cent from a year ago. A breakdown of the figures shows that revenues from principal trading rose 77 per cent to $310.8m, from investment banking they rose almost 50 per cent to $89.7m, while revenues from commission fees climbed to 7 cent to $104.6m.

Total expenses in the quarter jumped sharply to $372.3m, but the bulk of the rise was accounted for by higher employee compensation and benefits, which are linked to profits and performance.

Overseas sales help Coca-Cola improve

By Alan Friedman in New York

SOFT drink sales outside the US continued to fuel earnings growth at Coca-Cola, the leading US carbonated beverage company that yesterday reported a 19.4 per cent rise in its first-quarter net profit, to $383.1m.

The earnings improvement – slower than the 21.8 per cent increase achieved during the last quarter of 1991 – translates into earnings per share of 58 cents, against 48 cents in the first quarter of 1991.

Revenues for the first quarter grew by 11.7 per cent, to $2.77bn, while operating profits were 17.3 per cent higher at $579.4m.

Coca-Cola's slowest growth region in terms of unit case sales is in the US, where such sales were only 2 per cent ahead in the first quarter of 1992. By contrast, international unit case sales to retail customers improved by 7 per cent.

Sales in the European Community rose 6 per cent, including a 12 per cent gain in France, 10 per cent in the Benelux region and 5 per cent in Germany. Unit sales growth in the UK were sluggish at less than 3 per cent.

In the Far East, sales were 5 per cent higher, with a 12 per cent rise in Japan, the largest market in the Pacific region.

Mr Robert Goizueta, chairman of Coca-Cola, said the strong volume and profit performance in the first quarter "bodes well for the rest of 1992".

Wall Street appeared to agree with Mr Goizueta's prognosis and marked Coca-Cola's share price $⅝ higher yesterday, to $82¾.

Upjohn results reflect lower Halcion sales

By Karen Zagor in New York

UPJOHN, the Michigan-based pharmaceuticals company, yesterday posted first-quarter earnings growth of only 8 per cent in an industry where leaders regularly turn in earnings growth of around 20 per cent.

Upjohn's slower growth reflects a 39 per cent drop in sales of the company's controversial Halcion sleeping pill.

Before concerns about the drug's side-effects emerged, Halcion was the most popular sleeping pill in the world and Upjohn's second-biggest product, bringing in about 8 per cent of the company's sales and making an even stronger contribution to earnings.

For the first three months of 1992, Upjohn had net income of $143.7m or 80 cents a share, against $133.3m or 73 cents a year earlier. Sales rose 9 per cent to $871.9m from $799.4m.

During the latest quarter, pre-tax earnings advanced 4 per cent to $189m, while operating income was 3 per cent higher at $186m.

Shares in the company rose $¼ to $37 yesterday morning.

Merck registers 18% increase in earnings

By Karen Zagor

MERCK, one of the biggest US pharmaceutical companies, yesterday unveiled an 18 per cent increase in first-quarter earnings on sales which rose 9 per cent.

Net income in the three months to March 31 was $568.7m or $1.47 a share, up from $483.5m or $1.25 in the first quarter of 1991. The results do not reflect Merck's three-for-one stock split which will take effect on May 6.

Sales in the quarter were $2.22bn, against $2.05bn a year ago. Foreign exchange translations cut sales by one percentage point. Mr Roy Vagelos, chairman and chief executive, said sales growth was led by newer products.

Although profits were in line with expectations, the 9 per cent growth in sales was slower than expected and Wall Street marked Merck's shares $2½ lower to $152¾ in morning trading.

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CITIBANK

CANAL+

CANAL+ 1991 NET INCOME UP 18.8%

Paris, April 8, 1992

CANAL+, Europe's leading pay-television network, said today that in 1991 its consolidated net income after minority interests rose by 18.8 percent to FF 1.08 billion, from FF 910 million the year before. The strong profit performance came despite substantial provisions set aside over the year, including FF 56.5 million for TVS, FF 59 million for Carolco, and FF 54.6 million for the D2Mac standard decoders. Earnings were also negatively affected by the Group's share of the cost of new ventures, which rose from FF 152 million in 1990 to FF 290 million in 1991.

A non-recurring FF 146 million gain on the offering of Studio CANAL+ shares meant that the company did not have to realize all of the potential capital gains generated over the year. As a result, unrealized capital gains amounted to FF 172.9 million at December 31, compared with FF 115.6 million a year earlier.

Consolidated group results may be summarized as follows:

(FF millions)	1991	1990	% change
Subscriptions	5,847	5,173	+ 13.0 %
Advertising and sponsoring	310	272	+ 14.0 %
Other revenue	841	685	+ 22.8 %
Total revenue	6,998	6,130	+ 14.2 %
Operating income	1,905	1,664	+ 14.5 %
Financial income	34	13	+ 161.5 %
Equity in losses of associated companies	(354)	(194)	+ 82.5 %
Net income after minority interests but before non-recurring items	1,010	948	+ 6.5 %
Net income after minority interests	1,081	910	+ 18.8 %
Net earnings per share (FF)	58.7	50.2	+ 16.9 %

The annual general meeting is scheduled for next June 23. Shareholders will be asked to approve an increase in net dividend (excluding the associated tax credit) to FF 23.00, from FF 20.00 in 1990. They will be given the option of reinvesting the dividend.

Outlook

In 1992, the CANAL+ parent channel is maintaining its growth momentum in France, while its subsidiaries are expected to step up the pace of expansion. This will be especially true for operations outside France, where the network's European pay-television channels are approaching breakeven. The thematic channels should strengthen their market positions, the manufacturing units should enhance their profits earning capacity and the production units should settle into a steady growth pattern.

EURO-H

SGA SOCIETE GENERALE ACCEPTANCE N.V.
JPY 3.500.000.000
7 1/2% VARIABLE REDEMPTION AMOUNT NOTES DUE 1994

Notice is hereby given that, in accordance with condition 4(c) of the Terms and Conditions, the Notes will be redeemed by the Issuer on April 17th, 1992 at the "Redemption Amount" calculated in accordance with condition 4(e) which will be JPY 9.397.372 per Note of JPY 100.000.000.

THE FISCAL AND PRINCIPAL PAYING AGENT,
SOGENAL
SOCIETE GENERALE GROUP
15, AVENUE EMILE REUTER
LUXEMBOURG

Wells Fargo & Company

US$100.000.000
Subordinated floating rate capital notes due September 1997

In accordance with the provisions of the notes, notice is hereby given that for the Interest Period 31 March, 1992 to 30 June, 1992 the notes will carry an Interest Rate of 5% per annum. Interest payable on the relevant interest payment date 30 June, 1992 will amount to US$126.39 per US$10,000 note.

Agent: Morgan Guaranty Trust Company

JPMorgan

NOTICE TO HOLDERS OF WARRANTS
TO SUBSCRIBE FOR SHARES OF COMMON STOCK OF

TODA CORPORATION
(the "Company")
Issued in conjunction with issues by the Company of
U.S. $150,000,000
4¼ per cent. Guaranteed Notes due 1993
("Warrants – 1993")
and
U.S. $300,000,000
2⅝ per cent. Notes due 1994
("Warrants – 1994")

Pursuant to Clause 4 of the Instrument dated 30th March, 1989 under which the Warrants – 1993 were issued and Clause 4 of the Instrument dated 22nd March, 1990 under which the Warrants – 1994 were issued, respectively, notice is hereby given as follows:
The Board of Directors of the Company resolved on 13th March, 1992 to make a stock split of one share into 1.1 shares to shareholders of record as at 31st March, 1992 Tokyo Time. Accordingly, the Subscription Prices of the Warrants – 1993 and the Warrants – 1994 have been adjusted as follows:

1) Subscription Prices before the adjustment:
Warrants-1993: Yen 1,062.70
Warrants-1994: Yen 1,969.90
2) Subscription Prices after the adjustment:
Warrants-1993: Yen 966.10
Warrants-1994: Yen 1,790.80
3) Effective Date of the adjustment:
1st April, 1992 (Tokyo Time)

TODA CORPORATION
By: The Mitsubishi Bank, Limited
as Principal Paying Agent

16th April, 1992

HMC Mortgages Notes 3 PLC
£150,000,000
Class A
£11,500,000
Class B
Mortgage Backed Floating Rate Notes Due July 2015

For the interest period 15 April, 1992 to 15 July, 1992 the Class A Notes will bear interest at 10.825% per annum. Interest payable on 15 July, 1992 will amount to £2691.46 per £100,000 Note. The Class B Notes will bear interest at 11.75% per annum. Interest payable on 15 July, 1992 will amount to £335,966.53 per £11,500,000 principal amount.

Agent: Morgan Guaranty Trust Company

JP Morgan

TAISEI CORPORATION YEN 20,000,000,000
FLOATING RATE NOTES DUE 1997

Interest Rate : 5.4% p.a.
Interest Period : from 16th April, 1992 to 21st July, 1992

Interest payable per Yen 100,000,000.- Notes:
Yen : 1,416,394.-

By Fuji Bank (Luxembourg) S.A.
Agent Bank

TR WORLDWIDE STRATEGY FUND
Registered Office: 13 Rue Goethe
L-1637 LUXEMBOURG
R. C. Luxembourg B 28.987

NOTICE OF SUSPENSION IN DEALING

It is hereby advised that dealing in the Fund will be suspended on Tuesday 21st April 1992. This arrangement is approved by the Directors to ensure an equitable dealing policy over the period of Easter.

By order of the Board

DAF

General Meeting of Shareholders

The DAF N.V. General Meeting of Shareholders will be held on 8 May 1992 at 2 PM (continental time) in the Evoluon, Noord Brabantlaan 1a, Eindhoven, The Netherlands.

The agenda including among others, special items such as:

- the changes of the Articles of Association as a consequence of the Agreement with Stichting Trustee DAF (STD) as published in the Prospectus for the issue of convertible preference shares dated October 1991
- the appointment of four members of the Supervisory Board

is available from today onwards at the Communications Department of DAF in Eindhoven, at ABN AMRO Bank N.V. in Amsterdam, at National Westminster Bank PLC in Crawley, at Generale Bank in Brussels and at Swiss Bank Corporation in Zürich.

To be admitted to the meeting and to cast their votes, holders of shares and/or depositary receipts of convertible preference shares (with individual voting rights) should have deposited their shares and/or depositary receipts with one of the above mentioned or following banks by 5 May 1992, 15.00 hrs. at the latest: NMB Postbank Groep N.V., Rabobank Nederland and Deutsche Bank A.G.

DAF N.V.
Supervisory Board

Board of Management

Eindhoven, 17 April 1992

NOTICE TO THE HOLDERS OF
Pirelli Financial Services Company N.V.
US$ 50,000,000
7% Guaranteed Convertible Bonds due 1995
(the «Bonds»)

In accordance with Condition 7 (c) of the Bonds, notice is hereby given that Bonds can be redeemed at the option of the Bondholder on June 30, 1992, at 105 per cent of their principal amount.

To exercise such option, Bondholders must deposit their Bonds, in the case of a Bearer Bond, with any Paying Agent or, in the case of a Registered Bond, with the Registrar or Transfer Agent, at the addresses mentioned on the Bonds at any time between May 15, 1992 and June 01, 1992.

Any Bond deposited may not be withdrawn without the prior consent of the Issuer.

Luxembourg, April 16, 1992

The Principal Paying Agent
KBL Kredietbank Luxembourg

NOTICE TO THE HOLDERS OF
Pirelli UK International Finance B.V.
£ 40,000,000
7½% Guaranteed Convertible Bonds due 2000
(the «Bonds»)

In accordance with Condition 7 (c) of the Bonds, notice is hereby given that Bonds can be redeemed at the option of the Bondholder on June 30, 1992, at 105 per cent of their principal amount.

To exercise such option, Bondholders must deposit their Bonds, in the case of a Bearer Bond, with any Paying Agent or, in the case of a Registered Bond, with the Registrar or Transfer Agent, at the addresses mentioned on the Bonds at any time between May 15, 1992 and June 01, 1992.

Any Bond deposited may not be withdrawn without the prior consent of the Issuer.

Luxembourg, April 16, 1992

The Principal Paying Agent
KBL Kredietbank Luxembourg

- Working costs per kilogram [illegible] 5,5% [illegible] quarter ended March 1991
- Income after tax and capex [illegible] 45% [illegible] 34,9% [illegible] quarter ended March 1991

Gengold

- Dividends
  - Unisel 5 cents per share
  - Kinross 115 cents per stock unit
  - Bracken 20 cents per share
  - Leslie 5 cents per share
  - Winkelhaak passes its interim dividend

GOLD MINING COMPANIES' REPORTS FOR THE QUARTER ENDED 31 MARCH 1992

All companies mentioned are incorporated in the Republic of South Africa

The GROOTVLEI Proprietary Mines Limited

Company Registration No. 01/02088/06

Cost per kilogram reduced

Issued capital – 11 438 816 stock units of 25 cents each.

OPERATING RESULTS		Quarter ended 31.3.1992	Quarter ended 31.12.1991
Mined	(m²)	28 136	30 347
Ore milled	(t)	117 000	120 000
Yield	(g/t)	5,3	5,1
Gold produced	(kg)	620	616
Working revenue	(R/kg)	32 508	32 598
Working costs	(R/kg)	28 597	29 000
	(R/t milled)	151,54	148,87
Working income	(R/kg)	3 909	3 598
Gold price received	(R/kg)	32 433	32 504
	($/oz)	360	365
FINANCIAL RESULTS (R'000)			
Working revenue		20 154	20 081
Working costs		17 730	17 864
Working income		2 424	2 217
Sundry income – net		1 928	2 359
Tribute payments – net		80	190
Income before taxation and State's share of income		4 272	4 386
Taxation and State's share of income		1 183	(794)
Income after taxation and State's share of income		3 089	5 180
Capital expenditure		326	5 117
Dividend declared		–	2 880

DEVELOPMENT		Black Reef 31.3.1992	Kimberley Reef 31.3.1992	Black Reef 31.12.1991	Kimberley Reef 31.12.1991
Advanced	(m)	207	1 381	358	1 497
Advanced on reef	(m)	76	763	181	746
Sampled	(m)	80	731	181	735
Channel width	(cm)	148	11	109	13
Average value – gold	(g/t)	14,0	19,4	22,2	33,1
–	(cm.g/t)	2 062	221	2 414	419

REMARKS
- Estimated capital expenditure for the next six months – R1,9 million.
- Hedging profits of R417 646 from the forward sale of 7 996 oz of gold are included in working revenue. Contracts for 4 884 oz are still outstanding at an average price of R1 129 per oz.

STILFONTEIN Gold Mining Company Limited

Company Registration No. 05/33412/06

Underground mining ceases

Issued capital – 13 082 920 shares of 50 cents each.

OPERATING RESULTS		Quarter ended 31.3.1992	Quarter ended 31.12.1991
Mined	(m²)	1 544	14 204
Ore milled – underground	(t)	7 000	84 000
– surface dumps	(t)	506 000	439 000
– total	(t)	513 000	523 000
Yield – underground	(g/t)	6,4	5,9
– surface dumps	(g/t)	0,9	0,9
– combined	(g/t)	1,0	1,6
Gold produced	(kg)	513	836
Working revenue	(R/kg)	32 669	32 560
Working costs	(R/kg)	41 101	38 380
	(R/t milled)	41,10	61,35
Working loss	(R/kg)	8 542	5 820
Gold price received	(R/kg)	32 471	32 380
	($/oz)	366	360
FINANCIAL RESULTS (R'000)			
Working revenue		16 703	27 220
Working costs		17 051	25 526
Retrenchment costs		4 034	6 560
Working loss		4 382	4 866
Sundry income – net		984	319
Tribute payments – net		158	154
Loss before taxation and State's share of income		(3 559)	(4 701)
Taxation and State's share of income		–	–
Loss after taxation and State's share of income		(3 559)	(4 701)
Capital recoupment		1 087	2 389

DEVELOPMENT		Vaal Reef 31.3.1992	V.C.R. 31.3.1992	Vaal Reef 31.12.1991	V.C.R. 31.12.1991
Advanced	(m)	–	–	30	14
Advanced on reef	(m)	–	–	12	11
Sampled	(m)	–	–	15	10
Channel width	(cm)	–	–	10	15
Average value					
– gold	(g/t)	–	–	246,0	5,3
–	(cm.g/t)	–	–	2 460	80
– uranium	(kg/t)	–	–	2,080	0,113
–	(cm.kg/t)	–	–	20,80	1,70

REMARKS
- Estimated capital expenditure for the next six months – Nil.
- Underground mining operations stopped during the quarter and the treatment of surface dumps will continue.
- Hedging profits of R368 000 from the forward sale of 6 880 oz of gold are included in working revenue. Contracts for 4 028 oz are still outstanding at an average price of R1 129 per oz.

BUFFELSFONTEIN Gold Mining Company Limited

Company Registration No. 05/33934/06

Uranium plant closed

Issued capital – 11 000 000 ordinary shares of R1 each.
– 15 289 000 cumulative preference shares of R1 each.

OPERATING RESULTS		Quarter ended 31.3.1992	Quarter ended 31.12.1991	6 months ended 31.3.1992
Gold				
Mined	(m²)	103 911	100 006	216 907
Ore milled – underground	(t)	470 000	478 000	1 417 000
– surface dumps	(t)	67 000	57 000	173 000
– total	(t)	537 000	535 000	1 590 000
Yield – underground	(g/t)	6,4	6,3	6,3
– surface dumps	(g/t)	1,1	1,2	1,1
– combined	(g/t)	5,8	5,7	5,8
Gold produced	(kg)	3 100	3 075	9 185
Working revenue	(R/kg)	32 546	32 512	32 758
Working costs	(R/kg)	30 199	30 475	30 396
	(R/t milled)	174,24	175,16	175,59
Working income	(R/kg)	2 347	2 037	2 362
Gold price received	(R/kg)	32 509	32 451	32 667
	($/oz)	360	360	360
Uranium				
Pulp treated	(t)	–	249 000	767 000
Oxide produced	(t)	–	44	104
Yield	(kg/t)	–	0,18	0,14
FINANCIAL RESULTS (R'000)				
Gold – Working revenue		100 893	99 976	300 888
– Working costs		93 618	93 711	279 191
– Working income		7 275	6 265	21 696
Uranium – Working loss		333	1 618	5 068
Sundry income – net		3 267	3 315	9 301
Tribute payments – net		1 351	2 061	3 629
Income before taxation and State's share of income		8 858	5 914	22 304
Taxation and State's share of income		2 518	1 684	5 826
Share of income – Beatrix mine		1 143	1 143	3 619
Income after taxation and State's share of income		7 483	5 373	20 097
Capital expenditure		621	2 134	3 448
Dividends declared – ordinary shares		–	9 900	9 900
– preference shares		6 000	6 000	19 000
DEVELOPMENT – *Vaal Reef & "C" Reef*				
Advanced	(m)	3 508	3 773	10 986
Advanced on reef	(m)	378	345	987
Sampled	(m)	380	338	366
Channel width	(cm)	84	87	82
Average value				
– gold	(g/t)	15,3	16,6	16,1
–	(cm.g/t)	1 277	1 339	1 319
– uranium	(kg/t)	–	0,456	0,419
–	(cm.kg/t)	–	38,32	33,28

REMARKS
- Estimated capital expenditure for the next six months – R4,9 million.
- Due to the low uranium price, the production of uranium oxide has been stopped and the plant closed.
- Hedging profits of R2 088 000 from the forward sale of 38 978 oz of gold are included in working revenue. Contracts for 23 470 oz are still outstanding at an average price of R1 129 per oz.

Beatrix mine

(A division of Buffelsfontein Gold Mining Company Limited)

Good performance continues

In terms of an agreement, 16 percent of the distributable income from the Beatrix mine is attributable to Buffelsfontein and 84 percent to Beatrix Mines Limited.

OPERATING RESULTS		Quarter ended 31.3.1992	Quarter ended 31.12.1991	9 months ended 31.3.1992
Mined	(m²)	169 078	114 027	387 016
Ore milled	(t)	511 000	510 000	1 531 000
Yield	(g/t)	6,0	6,0	6,0
Gold produced	(kg)	3 084	3 080	9 245
Working revenue	(R/kg)	32 591	32 705	32 920
Working costs	(R/kg)	22 469	22 429	22 404
	(R/t milled)	134,73	134,58	135,29
Working income	(R/kg)	10 122	10 278	10 516
Gold price received	(R/kg)	32 512	32 658	32 883
	($/oz)	360	360	369
FINANCIAL RESULTS (R'000)				
Working revenue		99 856	100 078	304 345
Working costs		68 845	68 634	207 127
Working income		31 013	31 444	97 218
Sundry income – net		2 225	2 200	6 653
Royalty payments – Beatrix Mines Limited		14 979	15 012	45 652
Income before taxation and State's share of income		18 259	18 632	58 219
Taxation and State's share of income		7 327	7 101	23 630
Income after taxation and State's share of income		10 932	11 531	34 589
Capital appropriation		2 320	2 625	7 029
Dividends on preference shares		6 000	6 000	19 000
DEVELOPMENT – *Beatrix Reef*				
Advanced	(m)	6 168	9 137	26 144
Advanced on reef	(m)	2 157	2 584	7 191
Sampled	(m)	2 172	2 493	7 368
Channel width	(cm)	53	50	51
Average value – gold	(g/t)	15,8	12,9	15,6
–	(cm.g/t)	836	647	791

REMARKS
- Estimated capital expenditure for the next six months – R3,4 million.
- The attention of shareholders is drawn to the quarterly report of Beatrix Mines Limited, which appears elsewhere in this edition.
- Hedging profits of R3 063 982 from the forward sale of 31 512 oz of gold are included in working revenue. Contracts for 22 198 oz are still outstanding at an average price of R1 129 per oz.

WELTEVREDEN Mines Limited

Company Registration No. 70/14447/06

Reef intersected on the 2nd level

Issued capital – 5 000 000 shares of 1 cent each.

PROJECT PROGRESS
- Sinking of the twin declines advanced to a distance of 1 356 and 1 413 metres respectively from the surface portal.
- Development on the 2nd level has intersected reef. The limited exposure to date indicates values in line with expectations.
- Capital expenditure to date amounts to R81,5 million.

WEST RAND Consolidated Mines Limited

Company Registration No. 01/01978/06

Future in jeopardy

Issued capital – 4 250 000 ordinary shares of R1 each.
– 25 000 deferred shares of R2 each.

OPERATING RESULTS		Quarter ended 31.3.1992	Quarter ended 31.12.1991
Mined	(m²)	32 182	33 318
Ore milled – underground	(t)	99 000	105 000
– surface dumps	(t)	83 000	112 000
– total	(t)	182 000	217 000
Yield – underground	(g/t)	4,2	4,4
– surface dumps	(g/t)	0,5	0,5
– combined	(g/t)	2,5	2,4
Gold produced	(kg)	460	520
Working revenue	(R/kg)	32 670	32 637
Working costs	(R/kg)	40 185	33 704
	(R/t milled)	101,57	80,76
Working loss	(R/kg)	7 515	1 067
Gold price received	(R/kg)	32 615	32 592
	($/oz)	357	361
FINANCIAL RESULTS (R'000)			
Working revenue		15 028	16 971
Working costs		18 485	17 526
Working loss		3 457	555
Sundry income – net		995	1 198
Tribute and royalty payments – net		116	90
Income/(loss) before taxation		(2 578)	553
Taxation		–	–
Income/(loss) after taxation		(2 578)	553
Capital recoupment		15	1 376
Dividends declared		–	1 133
DEVELOPMENT			
Advanced	(m)	796	508
Advanced on reef	(m)	563	380
Sampled	(m)	303	285
Channel width	(cm)	71	45
Average value – gold	(g/t)	8,8	12,4
–	(cm.g/t)	623	558

REMARKS
- Estimated capital expenditure for the next six months – Nil.
- Underground operations will be stopped during the next quarter if working losses continue.
- Hedging profits of R323 000 from the forward sale of 6 190 oz of gold are included in working revenue. Contracts for 3 834 oz are still outstanding at an average price of R1 129 per oz.

UNISEL Gold Mines Limited

Company Registration No. 72/10604/06

Further increase in gold production

Issued capital – 28 000 000 shares of no-par value.

OPERATING RESULTS		Quarter ended 31.3.1992	Quarter ended 31.12.1991	6 months ended 31.3.1992
Mined	(m²)	39 369	34 447	73 816
Ore milled	(t)	195 000	180 000	375 000
Yield	(g/t)	6,6	6,4	6,5
Gold produced	(kg)	1 289	1 153	2 442
Working revenue	(R/kg)	32 556	32 680	32 615
Working costs	(R/kg)	27 367	28 631	27 964
	(R/t milled)	180,90	183,42	182,10
Working income	(R/kg)	5 189	4 049	4 651
Gold price received	(R/kg)	32 527	32 680	32 [illegible]
	($/oz)	360	360	358
FINANCIAL RESULTS (R'000)				
Working revenue		41 965	37 680	79 645
Working costs		35 276	33 012	68 288
Working income		6 689	4 668	11 357
Sundry income – net		(12)	184	172
Milling fee and royalty payments		1 729	1 504	3 233
Income before taxation and State's share of income		4 948	3 348	8 296
Taxation and State's share of income		459	222	681
Income after taxation and State's share of income		4 489	3 126	7 615
Capital expenditure		3 753	2 626	6 379
Dividend declared		1 400	–	1 400

DEVELOPMENT		Leader Reef 31.3.1992	Basal Reef 31.3.1992	Leader Reef 31.12.1991	Basal Reef 31.12.1991	Leader Reef 6 months 31.3.1992	Basal Reef 6 months 31.3.1992
Advanced	(m)	30	2 916	52	2 883	82	5 799
Advanced on reef	(m)	–	376	–	372	–	748
Sampled	(m)	23	380	69	354	92	734
Channel width	(cm)	187	100	261	129	242	114
Average value							
– gold	(g/t)	1,2	6,7	2,3	5,7	2,1	6,7
–	(cm.g/t)	229	672	592	735	503	649

REMARKS
- Estimated capital expenditure for the next six months – R4,1 million.
- Hedging profits of R868 953 from the forward sale of 16 897 oz of gold are included in working revenue. Contracts for 9 744 oz are still outstanding at an average price of R1 129 per oz.
- Interim dividend No. 24 of 5 cents per share was declared.

ST. HELENA Gold Mines Limited

Company Registration No. 05/20743/06

Further restructuring necessary

Issued capital – 9 626 000 ordinary shares of R1 each.
– 3 625 035 'A' cumulative preference shares of R1 each.
– 3 625 035 'B' cumulative preference shares of R1 each.
– 7 466 000 'C' cumulative preference shares of R1 each.

OPERATING RESULTS		Quarter ended 31.3.1992	Quarter ended 31.12.1991
Mined	(m²)	65 797	80 300
Ore milled	(t)	350 000	354 030
Yield	(g/t)	6,0	5,8
Gold produced	(kg)	2 102	2 065
Working revenue	(R/kg)	32 558	32 686
Working costs	(R/kg)	30 568	29 321
	(R/t milled)	183,56	171,04
Working income	(R/kg)	1 990	3 365
Gold price received	(R/kg)	32 498	32 692
	($/oz)	360	368
FINANCIAL RESULTS (R'000)			
Working revenue		68 436	67 496
Working costs		64 253	60 547
Working income		4 183	6 949
Sundry income – net		4 552	7 410
Income before taxation and State's share of income		8 735	14 359
Taxation and State's share of income		2 092	4 570
Attributable to ordinary shareholders		6 643	9 789
Capital expenditure		1 829	2 618
Dividend declared – ordinary shares		–	14 438

DEVELOPMENT		Basal Reef 31.3.1992	Leader Reef 31.3.1992	Basal Reef 31.12.1991	Leader Reef 31.12.1991
Advanced	(m)	2 982	401	3 513	268
Advanced on reef	(m)	408	297	728	193
Sampled	(m)	414	294	677	184
Channel width	(cm)	123	149	122	174
Average value – gold	(g/t)	8,4	3,5	8,3	4,1
–	(cm.g/t)	1 033	523	1 018	712

REMARKS
- Estimated capital expenditure for the next six months – R3,4 million.
- Treatment of slimes by Free State Consolidated Gold Mines (Operations) Limited did not yield a profit for the quarter.
- The scarcity of payable ore reserves at No 10 Shaft has led to a decision to cease production and place the shaft on a care and maintenance basis. Sadly, as a result of this, and rearrangements at Nos. 4 and 8 Shafts, some 1 500 employees will be retrenched during May.
- Hedging profits of R1 415 958 from the forward sale of 27 107 oz of gold are included in working revenue. Contracts for 15 914 oz are still outstanding at an average price of R1 129 per oz.

Oryx mine

(A Division of St. Helena Gold Mines Limited)

Ventilation shaft completed

OPERATING RESULTS – Beisa Reef		Quarter ended 31.3.1992	Quarter ended 31.12.1991
Ore milled	(t)	69 509	73 000
Gold produced	(kg)	94	79
FINANCIAL RESULTS (R'000)			
Net income before taxation		426	434
Capital expenditure		83 790	105 987

REMARKS
- The subvertical ventilation shaft which was equipped and commissioned in the December quarter has operated well in its temporary use for hoisting development rock, whilst sinking of the main subshaft continues.
- The subvertical main shaft has reached a depth of 1 226 metres below collar and the 23 Level station excavations are in progress.
- The attention of shareholders is drawn to the quarterly report of Oryx Gold Holdings Limited, which appears elsewhere in this edition.

WINKELHAAK Mines Limited

Company Registration No. 55/03606/06

Gold production improves

Issued capital – 12 180 000 shares of R1 each.

OPERATING RESULTS		Quarter ended 31.3.1992	Quarter ended 31.12.1991	6 months ended 31.3.1992
Mined	(m²)	105 399	110 062	215 461
Ore milled	(t)	459 000	480 000	939 000
Yield	(g/t)	6,3	6,0	6,1
Gold produced	(kg)	2 934	2 850	5 784
Working revenue	(R/kg)	32 694	32 700	32 697
Working costs	(R/kg)	27 169	26 700	26 936
	(R/t milled)	171,69	159,09	165,35
Working income	(R/kg)	5 525	6 000	5 761
Gold price received	(R/kg)	32 576	32 576	32 576
	($/oz)	362	361	361
FINANCIAL RESULTS (R'000)				
Working revenue		94 943	93 521	188 464
Working costs		78 898	76 362	155 260
Working income		16 045	17 159	33 204
Sundry income – net		2 976	9 057	12 033
Income before taxation and State's share of income		19 021	26 216	45 237
Taxation and State's share of income		2 367	4 700	7 067
Income after taxation and State's share of income		16 654	21 516	38 170
Capital appropriation		16 087	31 637	47 724
Dividend declared		–	–	–
DEVELOPMENT – *Kimberley Reef*				
Advanced	(m)	4 916	4 797	9 713
Advanced on reef	(m)	937	1 057	1 994
Sampled	(m)	984	890	1 874
Channel width	(cm)	110	94	102
Average value – gold	(g/t)	15,3	13,2	14,4
–	(cm.g/t)	1 681	1 243	1 473

REMARKS
- Estimated capital expenditure for the next six months – R24,6 million.
- Sundry income for the December quarter includes R6,7 million in respect of an insurance claim resulting from the mud rushes during June 1991.
- Hedging profits of R1 956 000 from the forward sale of 37 449 oz of gold are included in working revenue. Contracts for 21 986 oz are still outstanding at an average price of R1 129 per oz.

BRACKEN Mines Limited

Company Registration No. 59/01126/06

Yield improves

Issued capital – 14 000 000 shares of 90 cents each.

OPERATING RESULTS		Quarter ended 31.3.1992	Quarter ended 31.12.1991	6 months ended 31.3.1992
Mined	(m²)	16 659	16 882	33 541
Ore milled	(t)	54 500	67 000	121 500
Yield	(g/t)	8,2	6,1	7,1
Gold produced	(kg)	449	411	860
Working revenue	(R/kg)	33 459	33 219	33 344
Working costs	(R/kg)	25 403	27 311	26 315
	(R/t milled)	209,28	167,54	186,26
Working income	(R/kg)	8 056	5 908	7 029
Gold price received	(R/kg)	32 632	32 595	32 614
	($/oz)	363	361	362
FINANCIAL RESULTS (R'000)				
Working revenue		15 023	13 653	28 676
Working costs		10 714	11 062	21 776
Retrenchment costs		692	163	855
Working income		3 617	2 428	6 045
Sundry income – net		1 156	940	2 096
Tribute and royalty payments – net		21	14	35
Income before taxation and State's share of income		4 751	3 354	8 105
Taxation and State's share of income		2 244	1 835	4 079
Income after taxation and State's share of income		2 507	1 519	4 026
Capital expenditure/(recoupments)		184	(103)	81
Dividend declared		2 800	–	2 800
DEVELOPMENT – *Kimberley Reef*				
Advanced	(m)	24	28	52
Advanced on reef	(m)	11	21	32
Sampled	(m)	11	21	32
Channel width	(cm)	14	12	13
Average value – gold	(g/t)	145,4	94,4	112,3
–	(cm.g/t)	2 035	1 133	1 433

REMARKS
- Estimated capital expenditure for the next six months – Nil
- Underground mining planned to cease in August 1992.
- Hedging profits of R302 000 from the forward sale of 5 777 oz of gold are included in working revenue. Contracts for 3 393 oz are still outstanding at an average price of R1 129 per oz.
- Interim dividend No 59 of 20 cents per share was declared.

LESLIE Gold Mines Limited

Company Registration No. 59/01124/06

Costs reduced

Issued capital – 16 000 000 shares of 65 cents each.

OPERATING RESULTS		Quarter ended 31.3.1992	Quarter ended 31.12.1991	6 months ended 31.3.1992
Mined	(m²)	29 211	29 133	58 344
Ore milled	(t)	100 500	103 500	204 000
Yield	(g/t)	5,3	5,0	5,1
Gold produced	(kg)	531	516	1 047
Working revenue	(R/kg)	32 [illegible]	32 915	32 904
Working costs	(R/kg)	29 [illegible]	31 535	30 670
	(R/t milled)	157,61	157,22	157,41
Working income	(R/kg)	3 062	1 380	2 234
Gold price received	(R/kg)	32 599	32 557	32 578
	($/oz)	362	361	362
FINANCIAL RESULTS (R'000)				
Working revenue		17 466	16 984	34 450
Working costs		15 840	16 272	32 112
Working income		1 626	712	2 338
Tribute and royalty payments – net		46	–	46
Sundry income – net		886	640	1 526
Income before taxation and State's share of income		2 466	1 352	3 818
Taxation and State's share of income		529	399	928
Income after taxation and State's share of income		1 937	953	2 890
Capital expenditure		787	488	1 265
Dividend declared		800	–	800
DEVELOPMENT – *Kimberley Reef*				
Advanced	(m)	1 091	998	2 089
Advanced on reef	(m)	274	316	590
Sampled	(m)	270	303	573
Channel width	(cm)	72	84	78
Average value – gold	(g/t)	13,6	12,2	12,8
–	(cm.g/t)	975	1 022	1 000

REMARKS
- Estimated capital expenditure for the next six months – R1,2 million.
- Development in the Northern Block is progressing according to plan.
- Hedging profits of R358 000 from the forward sale of 6 848 oz of gold are included in working revenue. Contracts for 4 020 oz are still outstanding at an average price of R1 129 per oz.
- Interim dividend No. 55 of 5 cents per share was declared.

KINROSS Mines Limited

Company Registration No 63/06226/06

Working costs contained

Issued capital – 18 000 000 stock units of R1 each.

OPERATING RESULTS		Quarter ended 31.3.1992	Quarter ended 31.12.1991	6 months ended 31.3.1992
Mined	(m²)	102 129	102 858	204 987
Ore milled	(t)	470 000	471 000	941 000
Yield	(g/t)	6,4	6,4	6,4
Gold produced	(kg)	3 005	3 002	6 007
Working revenue	(R/kg)	32 640	32 626	32 633
Working costs	(R/kg)	24 243	24 082	24 162
	(R/t milled)	155,00	153,49	154,24
Working income	(R/kg)	8 397	8 544	8 471
Gold price received	(R/kg)	32 527	32 565	32 546
	($/oz)	364	360	362
FINANCIAL RESULTS (R'000)				
Working revenue		98 083	97 943	196 026
Working costs		72 849	72 294	145 143
Working income		25 234	25 649	50 883
Sundry income – net		4 235	4 225	8 460
Tribute and royalty payments – net		1 591	624	2 215
Income before taxation and State's share of income		27 878	29 250	57 128
Taxation and State's share of income		8 416	9 410	17 826
Income after taxation and State's share of income		19 462	19 840	39 302
Capital expenditure		8 997	8 863	17 860
Dividend declared		20 700	–	20 700
DEVELOPMENT – *Composite Reef*				
Advanced	(m)	4 622	4 847	9 469
Advanced on reef	(m)	1 400	1 350	2 750
Sampled	(m)	1 416	1 302	2 718
Channel width	(cm)	34	37	36
Average value – gold	(g/t)	24,2	17,4	20,7
–	(cm g/t)	833	650	745

REMARKS
- Estimated capital expenditure for the next six months – R17,6 million
- Hedging profits of R2 024 000 from the forward sale of 38 751 oz of gold are included in working revenue. Contracts for 22 751 oz are still outstanding at an average price of R1 129 per oz.
- Interim dividend No. 48 of 115 cents per stock unit was declared.

NOTES

1. On 15 April 1992 dividends were declared by certain of the abovementioned companies, payable to members registered at the close of business on 30 April 1992.

   The registers of members of the companies will be closed from 4 May 1992 to 15 May 1992, both days inclusive.

   The dividends are declared in the currency of the Republic of South Africa. Payments from the United Kingdom office will be made in Sterling at the rate of exchange ruling on 29 May 1992, or the first day thereafter on which a rate of exchange is available.

   Dividend warrants will be posted on 12 June 1992.

   In the case of non-resident shareholders, taxation of 15 percent will be deducted.

   The full conditions of payment may be inspected at or obtained from the registered office.

2. Development values represent actual results of sampling. No allowance has been made for any adjustments which may be necessary when estimating ore reserves.

3. All financial figures are unaudited.

By order of the respective boards
General Mining, Metals and Minerals Limited

Secretaries
per D J G Botes
Manager: Administration and Secretarial Services

Johannesburg, 15 April 1992

Transfer offices
South Africa:
Central Registrars Limited
154 Market Street, Johannesburg 2001
(PO Box 4844, Johannesburg 2000)

United Kingdom
Barclays Registrars
Bourne House
34 Beckenham Road
Beckenham
Kent BR3 4TU

Registered and head office
General Mining Building
6 Hollard Street
Johannesburg 2001
(PO Box 61820, Marshalltown 2107)

London office
Gencor (UK) Limited
30 Ely Place
London EC1N 6UA

Copies available from London Office.

GENMIN GROUP

THE FIVE ARROWS CHILE FUND LIMITED

An Outstanding Investment Opportunity

- Over the year to 31st December 1991, the net asset value increased by 84 per cent
- It is the fifth highest performing of all country funds over the year according to Lipper Analytical
- The shares trade at a substantial discount

On 24th April 1992 at EGMs in Guernsey, shareholders will consider proposals designed to reduce the discount at which the share price trades. It is proposed that this should be effected by the Company repurchasing and subsequently cancelling part of the issued share capital.

Anyone wishing to obtain a copy of the latest Annual Report and Accounts and of the restructuring proposals should contact:

The Manager of The Five Arrows Chile Fund Limited
Rothschild Asset Management (C.I.) Limited
PO Box 242, St. Peter Port, Guernsey, Channel Islands
Tel: 0481 713713 Fax: 0481 728766

The Fund is a closed ended investment company, incorporated in Guernsey and quoted on The Stock Exchange in London. It was launched on 22nd February 1990 with the objective of achieving long term capital appreciation by investing primarily in equity securities listed on the Chilean Stock Exchanges. The price of the Fund's shares in the secondary market may not always reflect the Fund's underlying asset value and may from time to time trade at a discount or a premium to that value. Investors should be aware that past performance is not necessarily a guide to future performance and that the value of shares can fall as well as rise. This advertisement has been approved by Rothschild Asset Management Limited, a member of IMRO.

DAF

To holders of depositary receipts of convertible preference shares of DAF N.V.

With reference to the notice convening the General Meeting of Shareholders of DAF N.V., to be held on 8 May 1992 at 14.00 hours in the Evoluon, Noord Brabantlaan 1a, Eindhoven, The Netherlands, it is announced that holders of depositary receipts can give the undersigned written instructions to vote on their behalf, in accordance with Article 11, para. 2, of the Trust Conditions. Holders of depositary receipts to bearer should also submit their certificate of deposit for their depositary receipts.

The undersigned must have received the written instructions and the *certificate of deposit* by 5 May 1992 at the latest. If no written instructions have been received or holders of depositary receipts do not attend the meeting and are not represented, the undersigned will vote in favour of all the matters placed on the agenda of the meeting.

Eindhoven, 17 April 1992

Stichting Trustee DAF (STD)
Administrator:
Administratiekantoor van het Algemeen Administratie- en Trustkantoor B.V., Wijnhaven 16, NL 3011 WP Rotterdam.

Hong Kong banking sector revalues

By Simon Holberton and Simon Davies in Hong Kong

IN THE wake of the disclosure of Hongkong and Shanghai Bank's true financial position, after Tuesday's bid for Midland Bank, the colony's banking sector was yesterday substantially revalued.

The finance sub-index of the Heng Seng index climbed 3.5 per cent, supported by substantial gains from HSBC Holdings and its listed subsidiary Hang Seng Bank, both of which started the trend toward full disclosure of their financial position on Tuesday.

The overall market index rose 55.22 points, or 1.22 per cent, in the initial five minutes of trading yesterday. The index ended the day 102.58 points, or 2.1 per cent, higher at 4,986.11, supported by a strong rise in Tokyo share prices as well as the banks' rerating.

The remaining listed Hong Kong banks are all expected to announce inner reserves in the short term, to avoid what would effectively be a false market in their shares. Of these, only Bank of East Asia and Wing Lung are expected to have reserves of any significance.

A spokesman for Bank of East Asia, Hong Kong's third largest banking group, said: "At the moment our board is not considering any plan to proceed with disclosure of its inner reserves." But the bank has in the past indicated it would be unlikely to buck any trend on disclosure set by its competitors.

Inner reserves were introduced to enable the colony's banks to smooth out earnings during times of trouble, in recognition of the important role banks play in ensuring public confidence in the financial sector.

Hong Kong is prone to runs on banks for far less significant reasons than the announcement of losses.

However, the international trend towards greater disclosure, combined with the one-off positive effect of announcing higher earnings figures, seems likely to win the day over a general tendency towards corporate secrecy in Hong Kong.

"I think the smaller banks will follow suit soon. But I think the declaration of inner reserves marks the high point for the banking sector," said Mr Buary Neill, managing director of Schroder Securities (Hong Kong).

Hongkong Bank defied some pundits who had forecast a sharp fall in its share price by closing up $HK1 at HK$40.25.

The bank's true profit in 1991 was HK$8.46bn compared with the reported profit of HK$5.66bn after it had transferred an unspecified amount to inner reserves.

That amount was HK$2.8bn (US$362m).

Hang Seng Bank on Tuesday said its results for 1991 were 60 per cent higher than the profit figures disclosed in February, as a result of a HK$1.7bn transfer to inner reserves.

Its shares rose HK$2.50 to HK$39, as investors reacted to the higher-than-known figures.

Hong Kong's banks have had a remarkable 12 months, buoyed by their widest mortgage lending margins since early 1985, enabling the banks to transfer significant amounts to inner reserves while still disclosing substantial earnings growth.

Analysts believe lending margins will widen further but there is no indication of a contraction in the short term.

CBS recovers with $19.5m profit in first three months

By Patrick Harverson in New York

CBS, the US media group, yesterday reported a first-quarter operating profit of $19.5m, a substantial recovery from the $54.6m loss incurred at the same stage of 1991 when the Gulf war, a slump in advertising demand and restructuring charges sent the company deep into the red.

The earnings were greeted warmly on Wall Street, and CBS shares rose $6½ to $184¼ on the New York Stock Exchange in early trading.

Improvements in operating results at the CBS's nationwide network and its group of regional television stations, and savings from reductions in underlying costs, were the main reason behind the turnround in earnings, said the company.

Mr Laurence Tisch, chairman and chief executive of CBS, said the company was beginning to benefit from its new position as the top-ranked network in the US, a position which he believed would soon feed through into advertising revenues.

However, the domestic advertising climate remained difficult in the first quarter.

CBS's coverage of American football's Superbowl and the Albertville winter Olympics were a success, but excluding the revenue contribution from the two special sporting events, the network's first-quarter sales were essentially the same as a year ago. This was an indication that the weak economy continued to restrain demand for television advertising.

A cyclical recovery in advertising demand is anticipated. Mr Tisch said there was evidence in the opening weeks of this year's second quarter of a "steadying of demand for network time".

At the company's television stations division, sales and profits were lifted by the network's coverage of the winter Olympics, and by the acquisitions in February of local stations in Minnesota and Wisconsin. However, operating profits at the radio division fell due to sales weakness in the FM stations group.

The company suffered from a big decline in interest income on investments during the quarter, which fell to $7.5m from $65.8m in the first three months of 1991, when sales of securities to fund a share buy-back operation and the final settlement of the sale of CBS's recorded music business brought windfall gains.

MacMillan Bloedel slips into C$11m loss

By Bernard Simon in Toronto

MACMILLAN Bloedel, the Vancouver-based forest products company, has cited the unremitting slump in the newsprint market and higher interest payments as the main causes of a first-quarter loss.

MacMillan Bloedel's loss before payment of preferred share dividends was C$11m ($9.2m) or 12 cents a share, compared with earnings of C$3.8m, or zero per share, a year earlier. Sales increased to C$718.5m from C$677.6m.

Most other Canadian forest-products companies are also expected to report losses over the next few weeks.

The company said that pulp prices rose marginally and that markets for lumber and containerboard showed solid improvements.

An operating loss of C$400,000 last year was turned into a C$9.1m profit in the latest quarter.

Newsprint prices have continued to weaken, and machines have been shut down to adjust to over-supplied markets. In addition, quarterly interest charges jumped to C$34.6m from C$25.8m.

Producers have announced further price increases for pulp and for containerboard.

The company said lumber markets were clouded by uncertainty over the US housing industry and by the 14 per cent countervailing duty imposed by Washington last month on softwood lumber imports from Canada. The duty affects about one third of Macblo's lumber output.

Mr Bob Findlay, chief executive, said he expected no significant improvement in pulp or newsprint markets before 1993.

KKR and First Interstate in talks

By Nikki Tait in New York

FIRST Interstate Bancorp, one of the largest banks on the west coast of the US, said it had talked recently to Kohlberg Kravis Roberts (KKR), the leveraged buy-out specialists, about the possibility of discussions about co-operative transactions.

Such transactions might involve First Interstate in acquiring thrifts or banking operations in its existing geographic territory, the statement said, and could lead to KKR making an additional investment in First Interstate's shares or other securities.

The west coast bank stressed no deal was on the table. However, KKR holds a 9.69 per cent stake in First Interstate and the "talks about talks" caused the New York-based firm, best known for its $25bn bid for RJR Nabisco, to make a new filing with the Securities and Exchange Commission.

KKR said that if talks started it might be unable to avail itself of the "solely for the purpose of investment" exception to the anti-trust filing requirements. The firm added that it did not intend taking its voting stake in First Interstate beyond 10 per cent.

The Los Angeles-based bank tumbled into the red last year, hit by the deterioration in the Californian economy and property market.

The bank's statement comes only days after it was disclosed that Aetna, the large US insurer, has been talking to KKR about a possible buy-out of its reinsurance subsidiary, American Re.

This underlined KKR's interest in the financial services sector, where – in conjunction with Fleet/Nordstar – it recently acquired the failed Bank of New England.

Patent settlement lifts Honeywell

By Louise Kehoe in San Francisco

HONEYWELL, the US controls group, reported a sharp rise in first-quarter income, lifted by a payment of $127.5m from Minolta, the Japanese camera manufacturer, to settle a patent infringement dispute.

Net income for the quarter rose to $116.8m, or $1.67 per share, from $71.8m, or $1.01, in the same period last year.

Worldwide sales revenues rose to $1.48bn from $1.47bn. "In the first quarter, we produced solid earnings in the midst of a languid economy," said Mr James J. Renier, chairman and chief executive officer.

The gain from the Minolta settlement was $108.3m after deducting expenses associated with the legal dispute.

Honeywell took a $32.1m pre-tax charge for costs associated with "productivity improvement programmes and the anticipated disposition of certain non-strategic product lines".

The company said this would include a unspecified number of job cuts.

"On a comparable basis, Honeywell earned $1.02 per share in the first quarter of 1992, which is consistent with our expectations," Mr Renier said.

CP Forest hit by poor prices for newsprint

CANADIAN PACIFIC Forest Products reported a loss of C$71.1m (US$59.70), or C$1.47 a share, for the first quarter of this year, writes Robert Gibbens in Montreal. It blamed lower newsprint shipments, poor prices for all products except timber and higher interest costs.

A year earlier, the pulp and paper arm of Canadian Pacific incurred a loss of C$50.1m, or C$1.14 a share. Sales in the quarter were C$430m against C$488m.

Lower operating costs and a lower Canadian dollar continued to help, and proceeds of a C$218m equity issue had been used to reduce debt.

Pulp prices are firming and timber is up 25 per cent in the US since January 1. However, newsprint prices, remain depressed, while paperboard and packaging and white papers are improving.

Union Carbide to sell Indian unit

UNION Carbide, the US chemicals group, plans to sell its controlling stake in the Indian subsidiary involved in the 1984 Bhopal poison gas disaster, AP-DJ reports.

Part of the proceeds of the sale will go toward a previous pledge of $17m to fund a new hospital in Bhopal for victims of the disaster.

The company said Union Carbide India, the nation's largest maker of dry cell batteries, was its last battery business. At the time of the Bhopal gas leak, it also produced chemicals for agricultural pesticides. One of those chemicals, methyl isocyanate, leaked from the plant, killing more than 3,000 people and seriously injuring 20,000.

Mr Robert Kennedy, chairman, said the company would seek "a company or party that's in a better position than we to provide the battery business with new technologies and additional jobs."

Union Carbide said it was seeking permission from Indian regulators to sell its 50.9 per cent stake, or nearly 16.6m shares, at a price to be determined. It said a quarter of the Indian company's shares were publicly traded in Calcutta.

In 1989 the company settled all civil claims in connection with Bhopal for $470m. Earlier this year, India set up five courts to process claims by the victims of the disaster.

Union Carbide sold its Ever Ready/Energizer battery business in the US to Ralston-Purina in 1986.

Maytag unveils strong advance

MAYTAG, the fourth largest appliance manufacturer in the US, yesterday unveiled a sharp improvement in first-quarter profits, writes Nikki Tait in New York.

The after-tax figure rose from $15m a year ago, to $38.5m, on sales up from $737.9m to $753.2m.

Maytag noted that total core product sales for the US appliance industry had been flat during this period, but said that its own performance was helped by Hoover's North American floor care business and private label sale of laundry equipment.

Notice of Interest Rates

To the Holders of

The United Mexican States

Collateralized Floating Rate Bonds Due 2019

NOTICE IS HEREBY GIVEN that the interest rates covering the interest period from *April 15, 1992 to October 15, 1992* are detailed below:

Series Designation	Rate	Interest Amount	Interest Payment Date
USD Discount Series A	5.0625 Pct. P.A.	U.S. $ 25.73 Per U.S. $1,000	October 15, 1992
DGU Discount Series	10.25 Pct. P.A.	DFL 104.21 Per DFL 2,000	October 15, 1992

April 16, 1992

CITIBANK, N.A., Agent

CMB Packaging S.A.

a "Société Anonyme" incorporated with limited liability in the Republic of France
Share Capital: FF 808 017 380
Head Office: 153, rue de Courcelles – 75017 PARIS

PRELIMINARY NOTICE OF MEETING

The shareholders are hereby informed that a General Meeting (ordinary and extraordinary) will shortly be called with the following agenda:

A. General Meeting
1. Report of the Directoire, Supervisory Board's comments, Auditors' report

B. Ordinary Meeting
2. Approval of the 1991 financial statements – Appropriation of net income-Dividend
3. Agreements governed by Articles 101 and 143 of the French Companies Act
4. Supervisory Board: renewal of the term of office of one incumbent and appointment of a new member
5. Appointment of two substitute Statutory Auditors
6. Ratification of the transfer of the registered office
7. Authorisation to be given to the Company to trade in its own shares on the stock market, in order to stabilise the price
8. Authorisation to be given to the Directoire to pay an interim dividend in the form of Company shares

C. Extraordinary Meeting
9. Authorisation to be given to the Directoire, subject to the prior approval of the Supervisory Board, to:
a) Increase the share capital through the capitalisation of reserves, profits or share premiums
b) Issue, with or without exercise of existing shareholders' pre-emptive subscription rights:
- cash shares, with or without warrants
- convertible bonds, with or without warrants
- bonds with warrants
- warrants
- bonds redeemable for shares, with or without warrants
- compound securities
10. Authorisation to be given to the Directoire to grant stock options to the members of staff and management of Group companies
11. Change of corporate name
12. Authorisations

To be entitled to attend, to be represented or to vote by correspondence at this Meeting:
- holders of registered shares must be recorded in the Company's share register at least five days before the date of the Meeting.
- holders of bearer shares must deposit at DEMACHY WORMS & Cie (223, rue Saint Honoré - 75001 PARIS France) at least 5 days before the date of the Meeting a certificate evidencing that the shares have been deposited with authorised intermediaries until the date of the Meeting.

Qualifying shareholders wishing to have draft resolutions put on the agenda for the above Meeting must send their request, in the form laid down by law, to the Company's head office by registered letter by 27 April 1992.

Copies of draft of the resolutions to be submitted to the shareholders at the Meeting may be obtained from NATIONAL WESTMINSTER BANK, PO Box No 82, Caxton House, Redcliffe Way, Bristol BS99 7NH.

Le Directoire.

LAWSON MARDON GROUP

LAWSON MARDON GROUP LIMITED

NOTICE is hereby given that the annual general meeting of Lawson Mardon Group Limited will be held at The London Hunt and Country Club, London, Ontario, Canada, on May 29th, 1992 at 10:00 a.m. The record date for the closing of the shareholder register in respect of the said meeting is April 24, 1992.

BY ORDER OF THE BOARD OF DIRECTORS

John B. Lanaway
Group Vice President and
Chief Financial Officer

April 16, 1992

BUSINESS IN THE COMMUNITY

The FT proposes to publish this survey on
May 12 1992.
It will be of interest to the 81% of Captains of Industry in Great Britain who are readers of the FT. If you want to reach this important audience, and the FT's estimated one million readers worldwide call
Edward Bak on
071 873 4196 or
fax 071 873 3062

Data source: Captains of Industry 1991/MORI

FT SURVEYS

NOTICE OF PURCHASE

BEI EIB

EUROPEAN INVESTMENT BANK
USD 300,000,000.- 8 5/8%
BONDS DUE 8TH APRIL 1999

Pursuant to the terms and conditions of the Bonds, notice is hereby given to the bondholders that during the twelve-month, period ending 8th April, 1992, no Bonds of the European Investment Bank's USD 300 M 8 5/8% Bonds due 1999 were purchased in satisfaction of the first purchase fund instalment.

As of 8th April 1992, the principal amount of such Notes remaining in circulation was USD 300,000,000.-.

Luxembourg, 10 th April 1992

EUROPEAN INVESTMENT BANK

Bank of Greece

(Incorporated with limited liability in the Hellenic Republic)

ECU 200,000,000

Floating Rate Notes due 1997

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the three month period ending 15th July, 1992, has been fixed at 10.875% per annum. The interest accruing for such three month period will be ECU 274.90 per ECU 10,000 and ECU 2,748.90 per ECU 100,000 Bearer Note, on 15th July, 1992, against presentation of Coupon No. 1.

Union Bank of Switzerland

13th April, 1992

London Branch
Agent Bank

TO THE HOLDERS OF

EBC AMRO TRADED CURRENCY FUND LIMITED

INCOME SHARES IN CONTINENTAL DEPOSITARY RECEIPT FORM

The Directors of the above fund have declared the following final dividend per share for the financial period ended 31st March, 1992, payable on 30th April, 1992 in respect of shares in issue on 31st March, 1992.

US Dollars 0.1986 per share against coupon No. 16.

Shareholders should send their coupons to Amsterdam Depositary Company N.V., Spuistraat 172, 1012 VT, Amsterdam.

EBC Trust Company (Jersey) Limited
Secretary

Dated: 16th April, 1992

Production edges higher at Anglo American mines

By Philip Gawith in Johannesburg

THE GOLD mines in the Anglo American group, the world's largest gold producer, had a satisfactory first three months to March with working costs well contained and production slightly up.

Gold production rose marginally to 63,490kg from 63,225kg and unit costs were only 1 per cent higher at R26,367 per kg. The average gold price received dropped 1 per cent to R33,483 per kg, and available profit was down by 9 per cent to R167m ($58m).

The production achievements were overshadowed by a series of seismic-related accidents at Western Deep Levels mine which claimed 27 lives during the quarter. Mr Clem Sunter, chairman of the gold and uranium division, said that increasing safety was now the main challenge facing them.

The best performance came from Freegold, the world's largest gold mine, which lifted available profit to R81.7m from R73.2m. Gold production was 3 per cent up at 28,337kg and,

Clem Sunter: increasing safety is main challenge

contrary to the trend at Anglo's other mines, the gold price received rose slightly to R34,473 per kg from R33,781 per kg.

This was the result of successful forward selling. Mr Sunter said that Freegold's more marginal status meant that management felt it prudent to hedge a greater portion of its production than at richer mines like Vaal Reefs and Western Deep Levels.

The mine did very well to cut unit costs by 3.5 per cent to R27,845 per kg. Mr Sunter noted that for the financial year to March, total costs had declined by 1.4 per cent to R3.2bn, in line with Anglo's prediction, made in 1990, that it would hold working costs flat for two years.

Available profit dropped by 25 per cent at Vaal Reefs to R48.3m. Mr Lionel Hewitt, managing director, said the mine had in fact had a good production quarter, the discrepancy being the result of two extraordinary contributions to last quarter's figures. Gold production was marginally higher at 18,773kg.

Western Deep Levels results were badly affected by a number of seismic events which not only caused considerable loss of life, but caused damage to property of more than R10m. Gold production dropped by 10.5 per cent to 8,996kg while available profit dropped to R16.8m from R25.7m.

Elandsrand and Ergo had steady quarters, while Sallies, which treats waste rock dumps, slipped into loss as it encountered poor grades.

Gold mines face closure threat

By Philip Gawith

GENGOLD and Anglovaal managed to lift available profit from their gold operations during the March quarter, but both are faced with the prospect of soon having to close a mine.

In Gengold's case, West Rand Cons seems unlikely to last beyond the next quarter, while Anglovaal's Loraine is also teetering on the brink.

Mr Jim Cockburn, Gengold consulting engineer, said bluntly: "We've got a disaster at WRC. Unless there's a substantial increase in the gold price we're not going to be able to carry on." The mine made a R2.8m loss during the quarter.

It lacks the ore reserves, and flexibility of grade, to turn this position around, at the current gold price.

Anglovaal management said that they had been unable to secure "adequate forward prices beyond July 1992", a condition of Loraine staying open.

After-tax profit in the Anglovaal group was 2 per cent up at R42.3m ($14.7m) for the quarter, with R34.7m of this coming from Hartebeestfontein whose performance was unchanged from the previous quarter.

Gengold lifted available profit after tax and capital expenditure by 45.8 per cent to R32.6m, compared to the December quarter.

Total gold production dropped by 0.4 per cent to 18,037kg. Working costs were well held, rising by 0.2 per cent to R27,626 per kg, while the average gold price received was 0.1 per cent lower at R32,594 per kg.

Mr Gary Maude, managing director of Gengold, said the two highlights of the quarter were the return to profitability of Winkelhaak – which made an available profit of R0.6m compared to a R10.1m loss in the previous quarter – and the ongoing increase in production at Unisel which had a difficult 1991. Bracken, Buffelsfontein, Grootvlei and Leslie all had improved quarters.

Sappi in acquisition negotiations

By Philip Gawith

SAPPI, South Africa's largest pulp and paper group, looks set to expand further abroad following an announcement that it is involved in negotiations concerning a possible acquisition.

Sappi Europe, the group's European arm, was established in July 1990 after the acquisition of five fine paper mills in the UK. In the 1991 annual report Mr Eugene von As, now executive chairman, commented that "much work remains to be done on developing our European marketing, sales and distribution network". Any deal is likely to be in pursuit of these aims.

Last month Mondi, Sappi's main competitor, also took a further step into Europe with the announcement that a consortium of Anglo American group companies, including Mondi, was paying R550m ($191m) to acquire a 44 per cent stake in Frantschach, the Austrian pulp and paper producer.

Sappi also released its results yesterday for the 12 months to the end of February. A recovery in the second half restricted the drop in net earnings to a 17 per cent decline, to R318m. Net income had been 39 per cent down at the halfway stage as Sappi faced depressed markets both at home and abroad.

Turnover rose by 6.5 per cent to R2.8bn, while operating income declined 17 per cent to R400.3m. Earnings per share were down 24.1 per cent to 402 cents on account of enlarged share capital following a rights issue. The overall dividend was unchanged at 200 cents per share.

Mr von As said the highlights of the year were the acquisition of Lotzaba forests from Rand Mines and the R1bn rights issue. The former was an important addition to the group's forest and mining timber business, while the latter had helped lower group debt, and hence interest payments.

Chairman of Taiwan Aerospace resigns

By Laurence Mudie in Taipei

MR DAVID HUANG, chairman of Taiwan Aerospace, a consortium of the Taiwan government and local companies, has resigned.

The move provides further evidence that the government is distancing itself from the consortium's proposed $2bn deal with McDonnell Douglas, the aircraft manufacturer, to buy up to 40 per cent of the US group's commercial aircraft operations, and manufacture parts in Taiwan.

Mr Huang quit ahead of a meeting on April 22, when executives of Taiwan Aerospace and Mr Vincent Siew, Economics Minister, are to decide to what extent to go ahead with the deal.

Although state-owned companies hold 29 per cent of Taiwan Aerospace, the government recently denied direct sponsorship of the proposed deal, in response to criticism that financial problems make McDonnell Douglas a bad choice for such a venture.

Analysts say that Mr Huang's resignation shows a cooling in the government's approach to the deal, and indicates that Taiwan Aerospace might take as little as a 25 per cent stake in McDonnell Douglas.

Ruling on San Miguel shares

By Jose Galang in Manila

THE anti-corruption court in the Philippines has ruled that the presidential commission on good government may continue to vote a bloc of sequestered shares in San Miguel Corporation, the country's largest industrial enterprise, that previously were controlled by local businessman Mr Eduardo Cojuangco.

Mr Cojuangco had petitioned the anti-corruption court to restrain any party, including the presidential commission, from voting the bloc of shares, which represent 30 per cent of the company's shares.

Maier quits DFC NZ

MR SANDY Maier, the former Citibank executive given the task of sorting out the collapse of the former state-owned development bank DFC New Zealand in 1989, has resigned to follow other business interests, writes Terry Hall in Wellington.

An American, Mr Maier says he has no other position to go to, but wants to remain in New Zealand.

Sega's winning touch in video games

Robert Thomson on a company which has ridden out the recession

When other Japanese companies revised profit estimates downwards and expressed deep fears about the onset of recession, Sega Enterprises, the video game maker, also reviewed forecasts, and concluded that its expectations for sales and profits had been unduly modest.

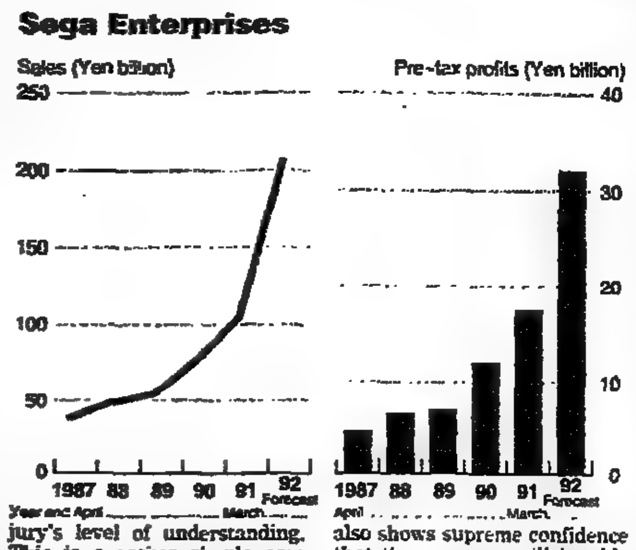
Having scored unexpected victories over Nintendo, the world's leading home video game maker, in the US and EC markets during the Christmas toy rush, Sega's only foes appeared to be the villains in its ever more elaborate software scenarios.

But Sega this week lost a battle against an unscripted enemy, a US patent infringement action, and the $33m awarded to two inventors has prompted concern in the Japanese electronics industry about a spate of potential litigation from US and European companies and inventors.

The Sega case follows a ruling against Minolta, the camera maker, which agreed last month to pay $127.5m to Honeywell, the US technology company, after a court decided that it had infringed on patents for autofocus technology. About 15 other camera makers and electronics manufacturers face similar litigation from Honeywell.

Mr Hayao Nakayama, the Sega president, and the architect of the company's rise to international prominence over the past three years, is clearly agitated by the Californian court ruling. He is angry that "amateurs" are allowed to sit on US juries deciding on complex technical issues, in this case, colour image-displaying technology used in video games.

"We have concerns about the



jury's level of understanding. This is a rather simple case and its clear that we should be okay. We had certainly taken professional advice before the hearing, and our professionals told us that we would win," Mr Nakayama said.

Sega now faces a dilemma similar to that of Minolta over whether to risk the company's US prestige in a potentially protracted and image-damaging court case. Minolta quickly settled with Honeywell after deciding that the likely returns of an appeal were outweighed by the possible negative publicity.

The result of the case is already weighing down on the game company's share price. Tokyo stocks have risen by an average 0.5 per cent during this week's volatile trading, but Sega's price has fallen by 16 per cent since the verdict was handed down at the weekend.

Mr Nakayama said that there would be "benefits in a compromise for our young company", but he is confident that the case will be won. And he also shows supreme confidence that the company will be able to cope financially, if the appeal is unsuccessful: "We have a lot of cash, and this would be a one-time payment."

That large pile of cash, about Y60bn ($452m), has accumulated as the company's sales have quadrupled over the past three years.

Sega is forecasting sales of Y210bn in the year to end-March, up from Y106.6bn in the previous 11-month period, while pre-tax profit is expected to double to Y32bn.

There are concerns that Japanese banks, burdened by bad debts and injured by the stock market collapse, will be unable to meet their corporate customers' needs for new lending. But Mr Nakayama said that Sega has no need for bank finance, and apart from a Y20bn convertible bond issue last June, is able to tap its cash flow.

The company, dominant in amusement arcade games within Japan, is expecting to sell about 12m home game systems this year, up from 7.5m systems last year, and reckons that it will share the world market 50-50 with the hitherto all-conquering Nintendo.

While the company has successfully ridden out the recession in Europe and the US, the downturn in the domestic economy has begun to influence consumer spending. Tokyo department store sales for March fell by 7.6 per cent on a year earlier, the largest real fall since 1965.

"In Europe, if you have a good product, then people are still prepared to buy it, in spite of recession. In Japan, the psychology has changed. Until recently, people bought whatever they wanted. Now it doesn't matter what sort of product you launch, it's very difficult to attract them," Mr Nakayama said.

Another reason for Sega's slower penetration of the Japanese home video market is that its game concepts have more appeal to foreigners than Japanese, a difference that Mr Nakayam presumes is cultural. Europeans and Americans, he says, like quick-hit, immediate gratification "action games", whereas Japanese tend to be fond of "role-playing" games.

"These games require more thought, more attention to detail. Japanese like to build little things. Some game maniacs in the US like the role playing type, but it's the common thing in Japan," he said.

There is likely to be more video competition in coming months, as Sega's success has prompted the larger Japanese electronics groups, including NEC and Sony, to expand their presence in the market. And Nintendo is upgrading equipment and cutting prices in an attempt to take back the market share lost over the past year.

SCHERING

Notice of Annual General Meeting

Schering Aktiengesellschaft
Berlin and Bergkamen
(Securities Code No. 717 200)

Our Shareholders are invited to attend this year's Annual General Meeting, which will take place on Wednesday, June 3, 1992 at 10 a.m. at the 'Kongreßhalle am Alexanderplatz', Alexanderplatz 4, Berlin-Mitte (1020 Berlin).

Agenda
1. Presentation of the approved accounts, the group accounts and the annual report for Schering AG and the group for the business year 1991 including the report of the Supervisory Board.
2. Resolution for the appropriation of the net profit.
3. Resolution for the discharge of the Board of Executive Directors.
4. Resolution for the discharge of the Supervisory Board.
5. Resolution for the Registered Office of the Company.
6. Complimentary Election of a Member of the Supervisory Board.
7. Resolution for Corporate Agreement.
8. Election of the auditors for the business year 1992.

The complete agenda, including the resolutions put forward, is due to appear in the April 16, 1992 issue (No. 75) of Bundesanzeiger (Federal Gazette). Please refer to this announcement for details of the agenda and of the procedure for depositing shares in order to attend the Meeting. Closing date for such deposits will be Wednesday, May 27, 1992.
Pursuant to Section 125 of the German Companies Act we have sent Notices to Shareholders and the abridged version of our annual report for 1991 to every bank holding Schering shares in safe custody, for them to pass on to all holders of Schering shares. Shareholders who have their Schering shares held in safe custody by a bank and have not as expected received these documents from their bank by May 23, 1992 are requested to apply for them to their bank.
Berlin, April 16, 1992
The Board of Executive Directors

FOKUS Bank A/S
(Incorporated in the Kingdom of Norway with limited liability)

U.S.$30,000,000
Floating Rate Subordinated Notes due 1997.

Holders of Floating Rate Subordinated Notes of the above issue are hereby notified that for the Interest Period from 21st April, 1992 to 21st July, 1992 the following information is relevant:
1. Rate of Interest: 5¼% per annum
2. Coupon Amount payable on Interest Payment Date: US $132.71 per US $10,000 Nominal
3. Interest Payment Date: 21st July, 1992

Agent Bank
Bank of America International Limited

GREECE

The FT proposes to publish this survey on
4 June 1992
Professional investors in over 160 countries worldwide and 54%* of chief Executives in Europe's largest companies will see this Financial Times Survey. This definitive examination of Greece, its business, its position with the European community and its politics will be retained by influential FT readers for future reference. For a copy of the editorial synopsis and advertisement rates contact
Alec Kitroeff in Athens
Tel (1) 671 3815 Fax (1) 6479372
or Connie Davis in London
Tel (071) 873 3514 Fax (071) 873 3428.

* Data source: Chief Executives in Europe 1990

FT SURVEYS

All of these securities having been sold, this advertisement appears as a matter of record only.

2,500,000 Shares

Chesapeake CORPORATION

Common Stock
(par value $1.00 per share)

500,000 Shares
This portion of the offering was offered outside the United States by the undersigned.

Goldman Sachs International Limited

BNP Capital Markets Limited | Credit Suisse First Boston Limited
Deutsche Bank Aktiengesellschaft | Salomon Brothers International Limited
S.G. Warburg Securities | Yamaichi International (Europe) Limited

2,000,000 Shares
This portion of the offering was offered in the United States by the undersigned.

Goldman, Sachs & Co.

Bear, Stearns & Co. Inc. | The First Boston Corporation | Dillon, Read & Co. Inc.
Donaldson, Lufkin & Jenrette Securities Corporation | A.G. Edwards & Sons, Inc.
Kemper Securities Group, Inc. | Lehman Brothers | Merrill Lynch & Co.
Oppenheimer & Co., Inc. | Prudential Securities Incorporated | Salomon Brothers Inc
Smith Barney, Harris Upham & Co. Incorporated | Wertheim Schroder & Co. Incorporated
Wheat First Butcher & Singer Capital Markets | Dean Witter Reynolds Inc. | Advest, Inc.
Robert W. Baird & Co. Incorporated | Cowen & Company | Dain Bosworth Incorporated
Legg Mason Wood Walker Incorporated | Piper, Jaffray & Hopwood Incorporated | Rauscher Pierce Refsnes, Inc.
Raymond James & Associates, Inc. | Sutro & Co. Incorporated
Tucker Anthony Incorporated | Anderson & Strudwick Incorporated | Branch, Cabell and Company
Davenport & Co. of Virginia, Inc. | First Manhattan Co. | Furman Selz Incorporated
Interstate/Johnson Lane Corporation | Janney Montgomery Scott Inc.
Ladenburg, Thalmann & Co. Inc. | Neuberger & Berman
Scott & Stringfellow Investment Corp. | Stifel, Nicolaus & Company Incorporated

April, 1992

ERM rumour gives short-lived boost to gilts

By Richard Waters in London and Patrick Harverson in New York

SPECULATION that sterling and the peseta were about to be brought into the narrow band of the Exchange Rate Mechanism gave a temporary lift to the UK and Spanish government bond markets yesterday. However, both rumours had been largely rejected by markets by the end of the day.

For gilts, the rumour helped give a further lift after the seven-point rally of the past week. Much of the increase has been fuelled by foreign investors, and it was these investors who were again reported to be buying on speculation about a move to the narrow band.

While many in the market now expect such a move to be on the horizon, few expect it imminently. A more likely time, suggested one analyst, would be after the UK takes up the presidency of the European Community, when it would have a more powerful political impact. A rise in gilt prices on the back of the rumour was largely reversed later.

The benchmark 9.75 per cent gilt maturing 2002 closed at 104⅝ on the day, compared with 104½ on Tuesday, shaving a fraction more off the yield to take it to 9.1 per cent. The 9 per cent gilt maturing 2011 closed up at 100¼.

In a moderately busy day on Liffe, with 30,000 long gilt futures contracts traded, prices moved in a narrow range, closing at 99⅝, down from the opening of 99¾.

■ SPANISH government bonds had reached the end of their recent strong run before yesterday's rumour helped prices to a partial recovery of around 10 basis points.

Yields on 10-year Spanish bonds had fallen from 10.92 per cent to 10.81, cutting the spread over German bunds back to under 3 per cent.

This recovery has been helped in part by favourable inflation data – showing a 0.4 per cent rise in consumer prices in March – published earlier this week. The figure apparently had not been leaked to the bond market in advance, unlike inflation data in recent months.

■ THE GERMAN government bond market drifted towards the long Easter break with few signs that traders were willing to take positions ahead of the holiday.

Bund futures on Liffe traded in a narrow range of 88.06-88.21 as the market marked time, awaiting developments in the two areas most likely to give an immediate direction to prices: the political situation in Russia, and the outcome of the public sector pay dispute.

GOVERNMENT BONDS

■ FRENCH government bonds marked time with the German market, though there was reported to be some buying of five-year bonds at the expense of longer-dated issues.

By the end of the day, five-year BTANs showed a yield of 8.78 per cent, compared with a yield on the benchmark 8.5 per cent OAT due 2002 of 8.62 per cent, pointing to a slight flattening of the yield curve.

That left 10-year OATs at around their highest against German bunds for some time, with a spread of some 74 basis points. Most in the market have been expecting a narrowing of the yield spread since the appointment of Mr Pierre Bérégovoy as prime minister last month.

■ US TREASURY prices eased slightly across the board in quiet trading dominated by technical manoeuvring.

By midday, the benchmark 30-year government issue was down ⅜ at 101⅜, yielding 7.870 per cent. The two-year note was also slightly weaker at mid-session, down $\frac{1}{32}$ at 101$\frac{1}{32}$, yielding 5.153 per cent.

The absence of trading on the flood-hit Chicago Board of Trade futures market again hampered the Treasuries market, although dealers were able to do some futures trading through London.

The day's only economic news – a 0.2 per cent rise in March industrial production and flat February business inventories – were in line with expectations and had no impact on sentiment. That left trading to be dominated by profit-takers and dealers testing the market's downside.

The Federal Reserve arranged overnight system repurchase agreements with Fed funds trading firm at 4¼ per cent. The intervention was meant to bring the rate down to its new target of 3¾ per cent. By midday, Fed funds had eased to 3¾ per cent.

■ A BOUNCE in the Japanese equity market and a firm yen gave some support to the nervous Japanese government bond market. However, after the share price volatility of recent days, few gained much confidence from the news.

Official data also gave some support to the market, with confirmation of a 0.1 per cent decline in industrial production in February (the previous estimate had been a decline of 0.6 per cent). The benchmark bond No 129 closed unchanged on a yield of 5.46 per cent, having traded in a narrow range.

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
AUSTRALIA		10.000	10/02	101.8852	+0.784	9.71	9.78	10.21
BELGIUM		9.000	05/01	101.5000	-0.050	8.75	8.77	8.76
CANADA *		8.500	04/02	99.0500	+0.100	8.64	8.72	9.14
DENMARK		9.000	11/00	101.1500	+0.230	8.79	8.85	8.72
FRANCE	BTAN	8.500	03/97	98.9060	+0.191	8.77	8.83	8.90
	OAT	8.500	11/02	99.1200	+0.170	8.61	8.66	8.60
GERMANY		8.000	01/02	100.6800	+0.040	7.89	7.92	7.94
ITALY		12.000	02/02	98.5500	+0.180	12.25†	12.40	12.15
JAPAN	No 119	4.800	06/99	95.0014	+0.116	5.78	5.86	5.70
	No 129	6.400	03/00	105.1735	+0.026	5.47	5.55	5.42
NETHERLANDS		8.250	02/02	99.9400	+0.100	8.26	8.29	8.28
SPAIN		11.300	01/02	103.1500	+0.430	10.74	10.92	10.86
UK GILTS		10.000	11/96	102-16	+6/32	9.32	10.15	9.94
		9.750	08/02	104-09	+6/32	9.10	9.85	9.76
		9.000	10/08	100-08	+9/32	8.98	9.61	9.54
US TREASURY *		7.500	11/01	101-04	-1/32	7.33	7.38	7.67
		8.000	11/21	101-17	-1/32	7.86	7.89	8.04

London closing, *denotes New York morning session. Yields: Local market standard
† Gross (including withholding tax at 12.5 per cent payable by non-residents.)
Prices: US, UK in 32nds, others in decimal. Technical Data/ATLAS Price Sources

Tokyo SE slide slows activity in region

By Tracy Corrigan

THE chronic weakness of the Japanese stock market is dragging down other south-east Asian markets, hindering new equity offerings.

Japanese investors, who had proved a mainstay, are scarce. However, dealers said US fund managers were showing increasing interest.

China Steel's $400m offering of global depositary receipts, the first Taiwanese deal this year, could be rather large for the market to digest, according to some traders. Goldman Sachs is preparing to launch the deal. Offerings of around $100m each are scheduled for President Enterprises via Credit Suisse First Boston, and for Asia Cement via Morgan Stanley.

INTERNATIONAL EQUITY ISSUES

Meanwhile, Samsung Electronics, the first Korean issuer to tap the market this year, has tested the water for a series of Korean issues in the next few months. The reception of Samsung's $100m convertible bond offering, launched on Tuesday, suggests terms for future issuers will also have to be enhanced.

The deal was originally planned to total $150m, with a 3¼ per cent coupon, a premium of 10 to 16 per cent, and a yield to put of ½ to ¾ point above the five-year Treasury. After initial marketing, the size of the issue was cut, the coupon was indicated at 3½-3¾ per cent, and the premium at 7-10 per cent. The yield to put was increased to ½-¾ point above the five-year Treasury.

"Bonds are being sold, but it is not a hot deal," said one banker associated with the transaction. However, Merrill Lynch said the deal was oversubscribed.

Korea opened its stock market to foreign investors this year. The convertible bond market, which was dominated by equity investors, has suffered as a result.

Taiwan remains vigilant on inflow of foreign funds

By Alexander Nicoll, Asia Editor

TAIWAN has had to slow inflows of foreign investment funds but remains committed to deregulating and internationalising its markets, Mr Samuel Shieh, governor of the island's central bank, said yesterday.

Mr Shieh told an audience of London brokers and investing institutions he had decided to limit the remittance of foreign currencies to buy Taiwanese equities because of concern about upward pressure on the Taiwan dollar.

"It is our policy to allow the funds to come in, but we also have to observe some kind of stability of the exchange rate," he said.

"Our economy is very export-oriented." Inflows of between $20m and $50m distorted the exchange rate because the foreign exchange market in Taipei was very thin, doing business of only $30m to $80m a day, he said.

Restrictions have been modified since the central bank suspended approvals in February. Mr Shieh said the present policy was for each investing institution or broker to negotiate a timing schedule with the central bank before approval could be given.

Foreign brokers say they are generally able to obtain approval for remittances of $5m per week for each investment scheme.

One investor told Mr Shieh it was a matter of concern that "we can only in invest in Taiwan when it suits you". Mr Andrew Tuckey, chairman of Baring Brothers, asked what could be done to expand the size of the foreign exchange market. He said further moves to open Taiwan's markets would be beneficial.

Mr Shieh said Taiwan had gone some way towards opening a foreign exchange market. However, the move was sensitive because of the risk of excessive speculation. "The goal [of internationalisation] is to your liking. But the speed may not be to your liking."

Taiwan was discussing aid to the former Soviet bloc with the European Bank for Reconstruction and Development, Mr Shieh said. He was a guest of Mr Jacques Attali, EBRD chairman, at its annual meeting in Budapest this week.

Mortgage-backed deal revives investor interest

By Tracy Corrigan

AN unusual mortgage-backed offering, structured to assuage the credit concerns which have dogged the sector, revived interest in the sterling mortgage-backed market yesterday.

The £170m deal was backed by mortgages originated by Union de Crédit pour le Batiment (UCB), the UK mortgage arm of Companie Bancaire, the French financial services group.

Dealers said it met strong demand, due to the shortage of paper in the market and attractive pricing of both public tranches of the issue.

The deal is the first securitisation of UCB's mortgage book, which totals £4bn, and is designed to allow the company to increase its business in the UK mortgage market by freeing up capital. However, there is speculation that other foreign mortgage lenders who want to pull out of the market are also looking at securitisation.

INTERNATIONAL BONDS

The sterling mortgage-backed market has been hit by growing credit concerns, due to the high default rate as the UK housing market continues to sink. Credit concerns have been heightened by the difficulties faced by pool insurance providers such as Sun Alliance and Eagle Star, since many deals were structured so that their triple-A ratings were based on the credit quality of the insurance.

The UCB deal, dubbed LEO 1, does not rely on pool insurance for its triple-A credit rating, but on its subordinated structure. The deal was divided into three tranches; the third tranche consists of £12m of subordinated notes.

In the sterling bond market, Hammerson Property, the UK property group, became the third borrower in a week to tap the long-dated sterling market.

Dealers said the market, with its small investor base of UK institutions, mainly insurance companies, was becoming overloaded with paper. The unsecured bonds were priced to yield 227 basis points above the comparable gilt.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
STERLING						
Hammerson Prop Inv.& Dev.(b)†	100	10¼	93.482	2013	⅝	NatWest.Cap.Mkts.
Leo 1 (d)††	83	(d)	100	(d)	0.165	JP Morgan
Leo 1 (e)††	75	(e)	100	(e)	0.34	JP Morgan
ECU						
Credit Local De France(c)†	75	8½	99.00	1997	20bp	Bankers Trust Intl.
AUSTRALIAN DOLLARS						
St.Elec.Comm of Victoria(a)†	100	10½	100.90	2003	2⅛/1⅞	Hambros Bank

‡Floating rate note. †Final terms. a) Non-callable. b) Fungible with outstanding £100m issue. c) Fungible with outstanding 725m issue. d)Tranche A1. Average life 1.46yrs. Coupon pays 3month libor plus ⅜%,steps up to Libor plus ¾% from July 1995. Callable at par from July 1995. Backed by mortgages originated by UCB a subsidary of Compagnie Bancaire. e) Tranche A2. Average life 5.01yrs. Coupon pays 3 month Libor plus ⅝%,-steps up to Libor-plus 1¼% from January 1998. Callable from January 1996.

Swedish broker plans 'junk' bond markets

By Sara Webb in Stockholm

ONE OF Sweden's largest brokers plans to develop a market for zero coupon bonds of sub-investment – or "junk" – grade.

The bonds – known as "Jobs" or Junk Obligations – could be used to convert non-performing loans to the troubled real estate sector into more easily tradeable forms of debt, according to Ohman, a family-owned Swedish brokerage.

Nordbanken, one of the Swedish commercial banks controlled by the Swedish state, said it was looking at the securities as one possible way of dealing with the non-performing real estate loans in its portfolio.

The use of such bonds has been limited so far. Ohman is close to finalising details for the conversion of non-performing loans to Allhus, a Swedish real estate company which made losses on property investments in London, into SKr300m of sub-investment grade zero-coupon bonds.

The bonds will replace non-performing bank loans. The banks have agreed in principle and will own the bonds, although Ohman hopes to act as market-maker and sell bonds to investors, including speculators gambling on a recovery in the real estate market.

MARKET STATISTICS

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 6 10 pm on April 15

U.S. DOLLAR STRAIGHTS / OTHER STRAIGHTS / DEUTSCHE MARK STRAIGHTS / FLOATING RATE NOTES / SWISS FRANC STRAIGHTS / CONVERTIBLE BONDS / YEN STRAIGHTS

	Issued	Bid	Offer	Chg. day	Yield
ABN 9 1/8 94	200	105½	106⅛	-⅛	6.44
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OTHER STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
BAYERISCHE VERDINS INT 7 96 LFr	600	94½	95½		9.66
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* No information available - previous day's price. † Only one market maker supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day=Change on day.
FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread=Margin above six-month offered rate (three-month §above mean rate) for US dollars. C.cpn=The current coupon.
CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	66	9	3
Other Fixed Interest	4	2	11
Commercial, Industrial	601	110	751
Financial & Property	347	39	403
Oil & Gas	27	8	53
Plantations	1	0	8
Mines	33	20	93
Others	94	13	32
Totals	1,173	201	1,354

LONDON RECENT ISSUES

EQUITIES

Issue Price p	Amt. Paid up	Latest Renunc. Date	1992 High	1992 Low	Stock	Closing Price p	+ or -	Net Div.	Times Cov'd	Gross Yield	P/E Ratio
100	F.P.	–	89	87	Amicable Smaller	88		N3.1	–	4.7	–
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1992 High	1992 Low	Stock	Closing Price £	+ or -
100p	F.P.	–	101½p	97¼p	Bank of Ireland Units Non-Cum Prf A	101½p	
–	F.P.	–	12p	8p	Brent Walker Var Rte 2nd Prf '00/07	12p	
–	F.P.	–	12p	7p	Do 8½pc 3rd Non-Cum Cnv Prf 2007/10	10p	-2
10p	F.P.	–	10p	8p	Celtic Mining 10pc Unl Cv Prf 1994	8p	
100	F.P.	–	107½	92½	Cambourne Inds. 10½pc Rd. Deb. 2001	95½	
100p	F.P.	–	108p	100p	Fidelity Euro. Values Equity Ln 2001	108p	
105	F.P.	–	118	98	Greencore 9.5% Cnv Un Ln Stk 1995	105	
–	F.P.	–	50¼p	48½p	M & G Recovery Zero Div Prf Ln	50¼p	
100p	F.P.	–	105¼p	97p	Nat West Bank 9pc Prf Series A	102½p	+½
650p	P.P.	–	415p	330p	Thorn EMI Non-Int. Bearing Cv Units	415p	+7
–	F.P.	–	75p	68p	Wembley 6p Unsec Cv Cum Prf 1999	68p	

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1992 High	1992 Low	Stock	Closing Price p	+ or -
12	Nil	28/4	½pm	½pm	Addison Consultancy	½pm	
85	Nil	21/4	13pm	11½pm	Courtney, Pope	12½pm	
90	Nil	–	15pm	11½pm	JLI Group	15pm	+1
36	Nil	–	4pm	4pm	Kynoch (G & G)	4pm	
220	Nil	–	6pm	6pm	Laird Group	4½pm	
40	Nil	–	1¼pm	¾pm	Plantsbrook	¾pm	

a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. q Earnings based on preliminary figures. s Forecast or estimated annualised dividend rate, cover based on previous year's earnings. i Ex-dividend. F Dividend and yield based on prospectus or other official estimates for 1992-93. H Dividend and yield based on prospectus or other official estimates for 1991. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1991-92. N Dividend and yield based on prospectus or other official estimates for 1992. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. § Offered to holders of ordinary shares as a "rights". † Introduction. ‡ Placing price. †† Reintroduction. ‡‡ Unlisted securities market. ¶ Issued in connection with reorganisation, merger or takeover. pm Price at a premium.

TRADITIONAL OPTIONS

- First Dealings — April 13
- Last Dealings — May 1
- Last Declarations — July 23
- For settlement — August 3

3-month call rate indications are shown on this page.

Calls in ASDA, BPB Inds., Cannon St. Invs., Conroy Petrlm., Dixons, Euro Disney, Hammerson A, Harlstone, Owners Abroad, Pittencrieff, Premier Cons., Psion, Tarmac, Taylor Woodrow, Tipbook and Zambia Copper. Put in Amber Day. Puts and calls in Simec Inds. and Glynwed.

LIFFE EQUITY OPTIONS

Option		Calls Apr	Calls Jul	Calls Oct	Puts Apr	Puts Jul	Puts Oct
Allied Lyons (*637)	600	37	50	72	2	15	24
Trafalgar (*135)	130	7	16	23	3½	14	17
	140	2	12	19	9	19	24
Utd. Biscuits (*435)	420	15	[illegible]	44	2½	18	16
	460	1	12	24	30	33	38
Unilever (*917)	900	22	60	87	4	22	30
	950	1½	32	60	35	46	53
Ultramar (*217)	220	21	33	–	1	–	–
	240	1	9½	–	12	–	–

Option		Calls May	Calls Aug	Calls Nov	Puts May	Puts Aug	Puts Nov
Brit Aero (*361)	330	42	51	55	5	14	19
Barclays (*335)	300	43	49	54	4½	7	11
	330	19	28	35	12	19	22
	360	7	13	21	30	37	39
Blue Circle (*271)	260	18	27	33	12	18	21
	280	9	17	23	24	29	32
British Gas (*272)	260	14	23	28	7	10	14
	280	5½	13	17	20	21	25
Dixons (*248)	240	19	24	32	11	16	20
	260	8½	14	21	21	28	28

Option		Calls Jun	Calls Sep	Calls Dec	Puts Jun	Puts Sep	Puts Dec
Eurotunnel (*370)	360	35	48	51	25	37	39

FT-SE INDEX (*2558)

PUTS								
Apr	1	2	3	8	24	63	113	163
May	5½	9	14	25	42	70	113	163
Jun	10	14	23	35	52	76	118	165
Jul	15	23	35	46	68	101	–	–
Dec †	–	50	–	80	–	115	–	177

April 15 Total Contracts 49,584
Calls 38,141 Puts 11,443
FT-SE Index Calls 6,083 Puts 4,885
Euro FT-SE Calls 962 Puts 762
Eurotrack 100 Index Calls 0 Puts 0
*Underlying security price. † Long dated expiry months.
Premiums shown are based on middle prices.

TRADITIONAL OPTION 3-month call rates

■ INDUSTRIALS	p	Charter Cons.	37	Ladbroke	17	Sears	6	■ OILS	
Allied-Lyons	40	Comm Union	32	Legal & Gen	27	SmKl Bchm A	65	Aviva Pet	30
Amstrad	5½	Courtaulds	39	Lex Service	16	TI	48	BP	21
Astec (BSR)	3	Eurotunnel	34	Lloyds Bank	29	TSB	9½	Burmah Castrol	38
BAT Inds	50	FKI	5½	Lonhro	15	Tesco	19	Conroy Pet	6
BOC	49	FNFC	6	Lucas Inds	10½	Thorn EMI	58	Gaelic Res	½
BTR	32	Forte	18	Marks Spencer	24	T & N	11½	Premier Cons	2½
Barclays	30	GKN	26	Midland Bank	19	Unilever	70	Shell	33
Blue Circle	20	Gen Accident	31	NatWest Bank	23	Vickers	12	Tuskar Res	½
Boots	33	GEC	15	P & O Dfd	30	Wellcome	72	■ MINES	
Bowater	58	Glaxo	59	Racal Elect	5	■ PROPERTY		RTZ	42
Brit Aerospace	30	Grand Met	70	RHM	16	Brit Land	18		
British Steel	6	GRE	10	Rank Org	52	Land Sec.	32		
Brit Telecom	24	Hanson	16	Ratners	3	MEPC	26		
Cadburys	33	ICI	90	Reed Intl	38	Mountleigh	1½		

COMPANY NEWS: UK

Difficult trading conditions in aerospace side cut profits to £44.3m

Smiths hints of expansion plans

By Andrew Bolger

SMITHS INDUSTRIES, the UK defence and aerospace components group, which has net cash of £95m, yesterday hinted that it was preparing to go on the acquisition trail.

Mr Roger Hurn, chairman and chief executive, told analysts the group's management was ready for "a major challenge".

Although not ruling out anything, it seems likely Smiths would seek to diversify away from the defence and civil aerospace sectors. The group has a high reputation in the City and could easily issue more shares for a takeover.

Difficult trading conditions in aerospace were blamed for a 12.5 per cent drop in pre-tax profits to £44.3m (£50.7m) in the six months to February 1, even though turnover rose from £288m to £307.4m.

Medical systems lifted trading profits by 17 per cent to £11.6m and industrial profits rose to £8m (£7.1m), boosted by a US acquisition.

Turnover in aerospace was slightly down at £184m (£186m) and trading profits fell from £24.6m to £18.2m. Smiths said it did well to achieve profit margins of almost 10 per cent against a background of defence cuts and reduced demand from large airlines.

The group this week announced 450 redundancies among aerospace workers in the US and UK. Its overall workforce has been cut from 13,500 to 11,200 in the past two years.

Trevor Humphries

Roger Hurn: management ready for "a major challenge"

Mr Hurn said he hoped this would be the final round of job cuts in the present recession.

Best performer was medical systems, which raised sales to £63.8m (£56.8m) and trading profits to £11.6m (£9.9m).

European and North American operations performed strongly, and Middle Eastern markets recovered. Eastern Europe was also generating first orders.

The industrial side lifted turnover to £59.6m (£45.2m) and trading profit to £8m (£7.1m). This expansion was helped by the £33m acquisition of Flexible Technologies, a US manufacturer of hoses, pipes and flexible connectors, which made a significant contribution after financing costs and increased its share of a depressed market.

The other industrial businesses performed creditably, with encouraging results from the UK engineering companies.

Earnings per share fell to 10.1p (11.4p) but the interim dividend is 4.1p (3.9p).

COMMENT

What would Smiths buy? Market speculation has for some time singled out Dowty, the aerospace components manufacturer, but most observers think Smiths wants to reduce, not increase, its exposure to the woes of defence and civil aviation. Medical systems has proved a very lucrative niche, but would be expensive to expand by acquisition, rather than continued organic growth. The success of last year's Flexible Technologies purchase suggests industrial companies will provide the happiest hunting ground, with no shortage of recession-struck targets. Smiths is currently forecast to earn £109m this year, which puts the shares – up 16p to 309p – on a modest multiple of 12.4. The high regard in which Mr Hurn and his team are held in the City does not outweigh general pessimism about the outlook for defence and civil aviation. Some analysts consider the shares are already good value, but they are unlikely to enjoy a significant re-rating until the acquisition intentions are clearer.

Helical Bar £6.5m in red after provisions

By Roland Rudd

HELICAL BAR, the property development, investment and trading company, reported a pre-tax loss of £6.49m for the year to January 31 compared with a profit of £2.71m.

The loss was struck after an exceptional charge of £4.62m relating to provisions at its London properties in City Road.

Interest payable fell from £21.4m to £16.7m as borrowings dropped because of the sale of properties worth £47m.

Extraordinary losses on sales of investment properties were £216,000 before tax.

Turnover declined to £31.1m (£74.7m) and rental income fell from £18.8m to £16.5m.

The group warned that the property industry in the south-east would continue to be depressed for the rest of the year. However, the bulk of the group's properties are in the north-east and West Midlands, which have shown signs of recovery.

Losses per share were 35.4p (earnings of 7.8p) and the final dividend is cut to 1.6p (7.6p) making a total of 4p (10p).

Trade Indemnity under pressure as Dutch insurer enters market

By Richard Lapper

HEIGHTENED competition for the trade credit insurance custom of the UK's biggest companies is on the cards following the entry into the market yesterday of Nederlandsche Credietverzekering Maatschappij (NCM), the Dutch export credit insurer.

The news will bring further pressure to Trade Indemnity, the trade credit insurer, whose 80 per cent plus market share could come under threat.

NCM, which has previously traded in the UK from its Dutch base, established a new UK subsidiary, NCM Credit Insurance, following its purchase of the privatised Insurance Services Group last December.

A dominant force in Dutch domestic and UK and Dutch export credit insurance, NCM now intends to establish a sizeable market share in the UK domestic market.

"We haven't entered this market to be a marginal player," said Mr Colin Foxall, managing director and chief executive.

NCM hoped eventually to offer domestic credit insurance to many of the 6,000 UK companies to which it already sells export credit insurance.

"We are entering the market because our customers have pressed us to do so," added Mr Foxall.

"One third of our customers already buy domestic credit insurance. We'd expect that large numbers would want at least a quote from us."

NCM said that it hopes to expand principally by selling to companies that are currently uninsured. "We want to raise the awareness of the usefulness of the product," said Mr Foxall.

No more than 7 per cent of GDP is insured in the UK, compared with as much as 20 per cent in the Netherlands, Mr Foxall said yesterday.

Even so the new competition could spell problems for Trade Indemnity, which has a had a tumultuous time in the past two years.

The company has been hard hit from claims as a result of the recession and last month announced pre-tax losses of £46.6m for 1991, compared with £28.8m in 1990. The group passed its dividend last year.

A decline in its share price from 93p last March to only 45p at yesterday's close has wiped out more than half the group's market capitalisation.

NCM claims that its package is "unique" in the UK. Claimants face no waiting period and payment is effected immediately upon ascertaining insolvency.

Liability is based on the amount owing under the contract, not the amount accepted in the insolvent estate, and recoveries are calculated from the date of insolvency and not from the date of notification.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetables.

TODAY

Interims- Cradley

Finals- [illegible], Fitch RS, Friendly Hotels, Hunting, [illegible] Johnson, London & Edinburgh Tst, Martin Albert, Premier Cons Oilfields, [illegible], River & Mercantile Geared

FUTURE DATES

Interims-	
British [illegible] Secs	Apr 23
McCarthy & Stone	Apr 30
Prestwich	Apr 22
SmithKline Beecham	Apr 23
Triton	Apr 23
Finals-	
Acorn Computer	Apr 24
British Airways*	May 19
Cropmore	Apr 22
Dencora	Apr 22
Eydy	Apr 29
Evans of Leeds	July 7
Ferguson Intl	May 20
Greenacre	Apr 21
Harlons	Apr 23
Holt (Joseph)	Apr 24
Reece	Apr 22

*Correction.

EUROPEAN BUSINESS REVIEW

To be published for the first time on:

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Lifting of trade barriers within Europe in 1993 opens possibilities for companies to pursue and develop new cross-border business ventures. The European Business Review will discuss the economics of each European nation and provide vital facts to more senior European decision-makers on international business * than can be reached through any other title. To find out more about promoting your company in this section please contact:

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EUROPE'S BUSINESS NEWSPAPER

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SWITZERLAND

The FT proposes to publish this survey on May 7 1992.

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BT

COMPANY NEWS: UK

Sharp drop in demand experienced in main markets

Blue Circle falls 51% to £124m

By Maggie Urry

BLUE CIRCLE Industries, the cement and building products group, suffered sharp falls in demand in the UK and US, its main markets, and profits dropped from £195m to £124.2m before tax in 1991.

Mr Jim McColgan, managing director, said that the year had turned out worse than expected and proved one of the most difficult in business history. So far there were few signs of economic improvement in the UK and US. The shares fell 13p to 272p.

The 36 per cent profit drop was on sales down 8.3 per cent to £1.1bn.

Operating profits, after an exceptional item of £16.5m, fell a quarter to £147m, and there was a rise in interest payable from £1.1m to £22.8m.

The dividend is maintained at 11.25p with a proposed final of 7.5p. The dividend is covered by fully diluted earnings per share of 13.6p (22.9p).

However, an extraordinary charge of £26m covering the losses and costs of disposing of the garden products business, meant there was a retained loss of £12.2m (profit £53m).

A 17 per cent drop in UK cement volumes caused operating profits in that division to halve to £32.9m after £8m of redundancy costs.

A full year's contribution from BCI's 50 per cent owned Danish cement company was £2.5m (£1.1m). In the US cement operating profits fell 38 per cent to £11.5m.

These difficult markets were partly offset by strong demand in Chile and Malaysia.

Chilean profits were up 16 per cent to £14.8m, of which £5.5m (£3.7m) was returned to the UK.

Malaysian profits were up a third to £16m, with £5.2m (£7.5m) cash sent to the UK. In Africa, weaker demand in South Africa cut profits from £19.2m to £17.7m. The South African associate has been sold since the year end. Cash returned to the UK was £5.4m (£5.8m).

The home products division, which BCI has been building up through acquisitions, almost maintained profits at £42.6m (£42.9m) although this included a £6.4m pension credit.

The Potterton Myson heating side increased profits, but the Armitage Shanks bathrooms business bore a £7.5m exceptional provision against the costs of closing a factory. A full year from the Italian sanitaryware company bought in July 1990 meant higher profits there. The New World gas cooker subsidiary cut its losses.

The property division saw profits fall from £15.3m to £11.6m with both commercial and residential property down.

There was a £44.2m increase in borrowings, as cash flow from operations failed to cover capital expenditure and acquisitions.

The depreciation charge of £78m compared with £74m of capital expenditure. At the year end net borrowings were £305.7m excluding the £90m convertible capital bond.

See Lex

Sales decline as Tarmac slumps to £21m

By Angus Foster

CONTINUING HIGH overheads set against declining sales were largely to blame for yesterday's poor results from Tarmac, the quarry products, construction and properties company.

Pre-tax profits slumped from £190.7m to £21m following exceptional charges of £45m, including a £12m charge against the Channel tunnel and £10m for falling land values.

Provisions of £18m for future rationalisation in the industrial and building products divisions were also made, while there was an exceptional profit of £6m on the sale of founder warrants in Eurotunnel.

Turnover fell 11 per cent to £3.23bn, slightly ahead of the construction industry's estimated 10 per cent decline.

Operating profits dropped to £117m (£267m) while operating margins fell from 7.4 per cent to 3.6 per cent due to the volume declines and price competition.

Quarry products contained the decline in operating profits to £52.9m (£80m) despite price competition. Construction also performed well, increasing operating profits slightly to £40.9m (£40m) and maintaining market share.

Capital expenditure was cut from £110m to £40m while depreciation increased slightly to £68.3m (£60.3m).

Net cash outflows were contained to £10.3m due to improved working capital controls, including a £125m reduction in the housing division.

The interest charge fell to £49.4m (£76.4m) due to lower financing costs, principally in the US, but net debt increased to £456.9m (£411.6m) mainly due to exchange rate swings.

The debt/equity ratio increased from 39 per cent to 51 per cent, if auction market preferred shares are treated as debt, or from 26 per cent to 33 per cent if treated as equity.

Earnings fell to 0.2p (16.7p). The company is recommending a cut in its final dividend to 2.5p (8.25p) to make a total of 5.5p (11.25p).

There was a retained loss for the year of £38.6m (£59.9m retained profit).

Shareholders funds fell by £226.3m due to the uncovered dividend and to a £149m downward revaluation of the company's mineral reserves.

See Lex

Haden MacLellan tumbles to £14.6m

By Maggie Urry

HADEN MACLELLAN Holdings, the industrial conglomerate, suffered difficult trading conditions in its main markets and saw pre-tax profits fall from £23.6m to £14.6m in 1991.

UK profits fell sharply while the US side dropped into losses.

However, directors recommended a maintained final dividend of 5p giving an unchanged total of 8p, covered 1.4 times by earnings per share of 11p (20p).

Mr Philip Ling, non-executive chairman, said that there were as yet "no clear signs of an upturn" in business.

Group sales fell marginally to £352.2m (£354.5m) but an increase in costs reduced cut operating profits to £14.5m (£25.7m).

Associate companies incurred a loss of £264,000 (profit £576,000).

However, there was interest received of £369,000, compared to a charge of £2.6m. Cash balances stood at £18.2m at the year-end, up from £12.8m.

After a tax bill increased to £4.4m (£6.8m), minorities of £179,000 (£191,000), an extraordinary charge of £2.5m (£1.2m) – relating to the possible closure of a paint recycling centre in the US – and dividend costs, the group added a mere £100,000 to reserves, against £8.3m last time.

Operating profits from the manufacturing division, where the products range from vandal-proof toilets to iron bridges, were more than halved to £2.6m (£5.5m) as inquiries from customers failed to turn into orders.

Mr Ling said that so far in 1992 the inquiry level was high but there was still no sign of orders improving.

Operating profits from distribution businesses – supplying nuts and bolts, machine tools and spares for agricultural equipment – fell by a quarter, from £5.3m to £4m, partly as a result of the disposal of the Rubber and Allied Products group.

A strong performance was seen in the European and Australian parts of the automated manufacturing systems division where profits advanced from £7.3m to £9.9m, benefiting from the completion of two significant paint systems contracts.

Mr Ling warned it would not be possible to repeat the 1991 figure in 1992.

In the US there was a loss of £1.8m (profit £5.5m) and management changes were being made.

● COMMENT

These results were a surprise to no-one but are nevertheless a disappointment. They must mark the end of the great hopes for the Drypure paint recycling system, and they show how recession has exposed the weaknesses of the US management. Costs have been cut, but with the end of the two big orders in Europe, and no sign of orders picking up yet, it would be prudent to expect no more than maintained profits and earnings in the current year. The saving grace is that the group's cash-generative abilities mean the dividend is safe. And with the shares unchanged yesterday at 130¼p, the yield is 8.9 per cent.

Macmillan is refused Berlitz injunction

By Raymond Hughes, Law Courts Correspondent

MACMILLAN, the main publishing subsidiary of the insolvent Maxwell Communications Corporation, was yesterday refused an injunction stopping four banks selling shares in Berlitz, the language company, pending the trial later this year to resolve a dispute over ownership of the shares.

A High Court judge decided that, because of the volatility of the Berlitz share price, an injunction could harm the banks more than the refusal of an order would damage Macmillan.

However, after making his ruling, Mr Justice Hoffmann agreed that if Macmillan could, within 24 hours, raise the money needed to cover the banks against a $4 (220p) drop in the current share price – calculated by Macmillan at $17.5m – it could have an injunction.

In November 1990 Macmillan's 56 per cent holding in Berlitz was transferred to Bishopsgate Investment Trust, a private company in the Maxwell group, at the instigation of the late Mr Robert Maxwell and his son Kevin. Some of the 10.6m shares were subsequently pledged to banks to secure loans to other Maxwell companies.

The court was concerned with 1.9m shares held by Shearson Lehman Brothers Holdings, 2.4m by Swiss Volksbank, 1.5m by Credit Suisse and 3.3m by Morgan Stanley Trust Company.

Morgan Stanley did not claim to own its holding and did not oppose an injunction.

The judge said the other banks questioned Macmillan's ability to pay them damages if it was granted an injunction but lost at trial. Although Macmillan's latest balance sheet showed a $162m excess of assets over liabilities that was rapidly being eroded by losses.

In the year to March 31 the net loss had been $277m. Assets included $1.6bn representing goodwill, and $321m for the value of the Berlitz shares, ownership of about half of which was in dispute.

The judge said the Berlitz share price had ranged between $12.5 and $20 in the last two years. He concluded that the likelihood of market fluctuations causing loss to the banks was a great deal higher than any risk of a loss of profit to Macmillan.

Rocco Forte, chief executive: turnover up as contract catering business grew

Forte falls to £73m as hotels and restaurants feel the pinch

By Michael Skapinker, Leisure Industries Correspondent

FORTE, the hotels, contract catering and restaurants group, announced pre-tax profits of £73m for the year ended January 31 1992, compared to £190m last time.

Turnover rose 1 per cent to £2.6bn which, the company said, was wholly attributable to a 10 per cent sales growth in its contract catering business.

A final dividend of 7.16p brings the total to an unchanged 9.91p. Earnings per share were 6p (18.8p), which meant dividend cover fell from 1.9 to 0.6 times.

Trading profit in hotels fell 53 per cent to £75m on sales down 8 per cent to £835m.

Profits from contract catering rose 18 per cent to £47m on sales up 10 per cent to £1.1bn. Forte said its business benefited from companies in the private sector attempting to reduce costs by bringing in contract caterers. Public sector work also rose with increased contracting out of catering in schools, hospitals and defence establishments.

Profits from restaurants fell 15 per cent to £63m on sales down 1 per cent to £638m. Kentucky Fried Chicken and Wheelers had a difficult year, particularly in areas which rely on tourism for a large proportion of their income.

Welcome Break motorway service areas were affected by a decline in traffic volumes. The Little Chef, Happy Eater and Harvester chains proved more resilient.

The group said measures such as short-time working had saved £21m in variable costs. It had also made fixed-cost savings of £40m.

Certain costs increased sharply, however. Business rates and the need to absorb increases in value added tax had cost about £25m in lost profit.

● Pre-tax profits at the Savoy Group for the year to end-December fell 78 per cent to £2.3m on turnover down 14 per cent to £79.2m. A tax credit of £2.7m arising from the writing-back of over-provisions for corporation tax in previous years and from a reduction in the provision for deferred taxation resulted in profits after tax of £5m (£8.2m). Earnings per A share fell to 17.5p (28.8p). The dividend is unchanged at 7p.

NEWS DIGEST

Golden Vale rises to I£14.7m

INCREASED sales for all of its products in the domestic market helped Golden Vale, the County Cork-based dairy produce group, lift pre-tax profits by 18 per cent to I£14.7m (£13.4m) in 1991.

The advance from I£12.5m was achieved on turnover up 41 per cent at I£295.5m (I£209.7m). Increased borrowings of I£20.8m at the year-end gave gearing of 28.2 per cent (nil).

Group operating profits totalled I£15.2m (I£12.7m). The share of profits of associated companies rose to I£1.34m (I£484,000), though net interest payable increased to I£1.79m (I£775,000).

Earnings per share improved to 8.54p (7.47p) and the final dividend is lifted to a proposed 0.94p for a total of 1.36p (1.14p).

Waste Management up 52% to £27m

Waste Management International, which recently raised £405m after expenses in a global share offering, announced a 52 per cent rise, from £17.9m to £27.3m, in first quarter pre-tax profits.

Turnover in the three months to March 31 rose from £139m to £186m and operating profit came to £25.9m (£18.7m). After tax of £8.9m (£6.53m) and minority interests of £3.02m (£725,000) net profit was £15.4m (£10.7m).

Earnings per share increased to 5.1p (3.6p).

Lasmo completes shipowning pull-out

As part of its downstream divestment programme, Lasmo is selling three Suezmax 148,000 tonne tankers currently under construction.

With the previously announced sale of two bulk ore carriers, net cash proceeds after meeting the 1992 construction costs were estimated at $125m (£70.8m).

Two of the Suezmax vessels have been sold to Essar Shipping of Bombay and the other is going to a European owner.

DIVIDENDS ANNOUNCED

Airbreak §	fin	1.3125	July 1	-	1.3125	-
Barlows	fin	1.65	June 22	1.65	2.475	2.475
BHH	fin	nil	-	1	nil	1
Black (A&C)	fin	8.75†	July 2	8.75	13	13
Blue Circle	fin	7.5	July 10	7.5	11.25	11.25
Forte	fin	7.16	July 1		9.91	9.91
Golden Vale	fin	0.94♣	June 29	0.78	1.36	1.14
Haden MacLellan	fin	5	July 1	5	8	8
Helical Bar	fin	1.6	July 1	7.6	4	10
Higgs & Hill	fin	3	June 2	14	9†	20
Russell (Alex)	fin	1.15	May 29	1.15	2.15	2.15
Savoy Hotel A	fin	7	May 26	7	7	7
Savoy Hotel B	fin	3.5	May 26	3.5	3.5	3.5
Scottish Am Inv	int	1.07	July 3	1	-	4.12
Scruttons	fin	9	-	9	16.5	15
Smiths Inds	int	4.1	June 5	3.9	-	10.7
Tarmac	fin	2.5	July 6	8.25	5.5	11.25
Tie Rack	fin	0.5	-	nil	0.5†	nil

†On increased capital. §USM stock. ♣Irish pence.

WESSANEN

KONINKLIJKE WESSANEN NV

Dividend payment

At the Annual General Meeting of Shareholders held on April 15, 1992, the dividend for the financial year 1991 was fixed at Dfl 2.68 for each ordinary share (par value Dfl 5). As an interim dividend of Dfl 0.80 was already made payable, the final dividend will be Dfl 1.88.

The undersigned hereby states that payment of the final dividend of Dfl 1.88 per Dfl 5 share on the Bearer Depositary Receipts (BDR's) issued by the undersigned will be made as from April 28, 1992 as follows:

- upon the surrender of **dividend coupon no. 17**: a cash dividend of Dfl 0.32 per Dfl 5 share, less dividend tax at 25%;
- upon the surrender of **dividend coupon no. 18**: a cash dividend of Dfl 1.56 per Dfl 5 share or 2% in BDR's chargeable to the paid-in surplus (qualifying for the 1992 dividend).

Dividend coupons may be tendered for payment or conversion at the head offices of the ABN AMRO Bank NV, Pierson, Heldring & Pierson NV, Bank Mees & Hope NV, Credit Lyonnais Bank Nederland NV and the NMB-Postbank Groep in Amsterdam, the Netherlands.
Dividend coupons must bear the stamp of the office through which they are tendered.
The dividend pertaining to BDR's of the CF type will be paid via the body by whom the dividend sheet was held on April 15, 1992 in accordance with the conditions of administration.

If holders of BDR's opt for the dividend of Dfl 1.88 fully in cash, payment less dividend tax at 25% will be made upon the surrender of dividend coupons no. 17 and 18.
In so far as holders of BDR's opt for the dividend of 2% in BDR's chargeable to the paid-in surplus, the surrender of dividend coupons no. 18 and relating to 50 ordinary shares will entitle the holder to receive one new BDR for one share, bearing dividend coupons numbered from 19 onwards and a talon.

If any dividend coupons no. 18 are not tendered for conversion into BDR's by June 26, 1992, the BDR's to which they relate will be sold and the net proceeds of the sale be held at the disposal of the holders of these BDR's in proportion to their holding.

Commission in accordance with the scales laid down will be paid to members of the Amsterdam Stock Exchange Association in connection with the conversion of dividend coupons no. 18 into new BDR's; this implies that holders will not incur commission charges upon conversion.

Stichting Administratiekantoor van aandelen Koninklijke Wessanen NV
Amsterdam, April 15, 1992

Koninklijke Wessanen NV
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Notice to Holders

Heller Financial, Inc.

¥10,000,000,000

Floating Rate Notes due June 22, 1995

NOTICE IS HEREBY GIVEN that pursuant to the Terms and Conditions of the Floating Rate Notes of Heller Financial, Inc. due 1995 (the "Notes"), the Holder of any definitive Note may elect to redeem such Note at par on 22nd June, 1992 (the "Redemption Date"). To exercise such option, the Holder must deposit such Note (together with all unmatured Coupons appertaining thereto and together with the Form of Election of early redemption endorsed on such Note duly completed by the Holder or his agent) at the offices of any of the Paying Agents listed below, not less than 45 days nor more than 60 days prior to the Redemption Date. Any Note so deposited may not be withdrawn without the prior consent of Heller Financial, Inc.

FISCAL AGENT AND PRINCIPAL PAYING AGENT
Royal Bank of Canada
71 Queen Victoria Street
London EC4V 4DE

PAYING AGENT
Banque Paribas Luxembourg
10a Boulevard Royal
L-2093 Luxembourg

Coupons which mature on or prior to the Redemption Date should be detached and presented for paying in the normal fashion.

Dated: London 16th April, 1992

For and on behalf of
Heller Financial, Inc.

ROYAL BANK OF CANADA

HILL SAMUEL GLOBAL PORTFOLIO SICAV
REGISTERED OFFICE: 1A RUE PIERRE D'ASPELT
L-2016 LUXEMBOURG
B30176

Notice is hereby given that the Annual General Meeting of shareholders of HILL SAMUEL GLOBAL PORTFOLIO SICAV will be held at 1A rue Pierre d'Aspelt, L-2016 Luxembourg on Friday 24th April at 3.00 pm with the following agenda:-

1) to hear and approve the report of the Board of Directors and the report of the auditors.
2) to approve the annual accounts and the statement of operations for the period ended 31 December 1991
3) to decide on any dividend distributions proposed by the Directors
4) to give discharge to the Directors
5) elections
6) Any other business

The Board of Directors

US reorganisation sparks recovery at Tie Rack

By Richard Gourlay

TIE RACK, the specialist tie, scarf and fashion accessories retailer, yesterday reported a sharp improvement in profits and a return to the dividend list.

Pre-tax profits in the year to February 2 rose from £51,000 to £1.03m on sales up 1 per cent at £54.5m.

Last June's rights issue and a 29 per cent fall in stock levels helped turn net borrowings of £6.3m into net cash of £3.2m. Interest charges fell from £1.75m to £539,000.

The company also enjoyed a sharp reduction in the tax rate, following a favourable ruling by the Inland Revenue that the loss-making US operation was domiciled for tax purposes in the UK.

This helped reverse losses of 1.79p to earnings of 1.99p per share. The company is to pay a 0.5p dividend, in line with its forecast at the time of the rights issue, having passed the interim.

Roy Bishko: still committed to franchising

Mr Roy Bishko, chairman, said the results reflected progress made in reorganising the US business which had not made a profit since it was launched in 1986. The profits increase, after a £504,00 exceptional charge for reorganisation, reflected tight management control of current and capital expenditures.

The group also changed the profile of its businesses during the year. At the year-end, only 78 of 257 shops were franchised, compared with 111 of 258 the year before. While this had removed a number of poor performing franchises from the system, the company was still committed to franchising if the individuals concerned were well financed and fully involved in the running of the companies.

On the trading side, the first quarter had been badly hit in the UK by the Gulf war's impact on airport and central London sales. Trading since then had been erratic and operating profits were down from £3.5m to £2.84m. In the US, the loss fell from £1.29m to £856,000 while in non-UK Europe, profits fell from £1.22m to £1.08m.

Allied-Lyons aims to lick Russian ice-cream market

By Philip Rawstorne

ALLIED-LYONS, the drinks, food, and retailing group, has formed a joint venture with the Russian ministry of trade to build a £30m ice-cream manufacturing plant in the republic.

Work began yesterday on the factory which, from early 1994, will produce 8m gallons of ice-cream a year to supply Allied's expanding chain of Baskin-Robbins stores in Russia.

Agreements have been signed with 10 dairy farms in the Ruza region to supply the factory with milk and cream. Technical support will be given to the milk producers and equipment for the factory will be supplied by APV, another UK company.

Baskin-Robbins opened its first franchised store in Russia four years ago. It now operates five stores in Moscow and four more are opening in St Petersburg, Zelenograd and Novgorod. Ice-cream is shipped to the stores at present from the US.

Mr Tony Hales, Allied's chief executive, said yesterday: "We are conscious of the current economic difficulties the Russians are encountering and hope that this move, which offers both technical and financial assistance, will contribute to the rebuilding process."

Allied was establishing "a promising position" in eastern Europe, and the group intended to develop further joint ventures, he added.

Jove Investment

Jove Investment Trust had a net asset value of 29.04p at February 28 against 32.1p a year earlier. Earnings were 5.59p (7.05p) and a second interim of 2.7p (4.2p) makes 5.4p (7.65p).

AGF-Irish Life tops I£7m despite underwriting losses

By Tim Coone in Dublin

AGF-IRISH Life Holdings, Ireland's largest composite insurance group, reported pre-tax profits of I£7.3m (£6.68m sterling) for the year to December 31, its first as a consolidated group.

Underwriting losses were I£18.7m on gross premium income of I£171m, while investment income amounted to I£26m. In common with most of the non-life insurance companies in Ireland, underwriting losses are now a fact of life, offset by investment income accruing from the cashflow of premium turnover.

Mr John O'Hanlon, group chief executive, said underwriting losses in the motor sector had been reduced in the past year as a result of rerating "but we have not seen a similar improvement in ratings in other sectors.

There has been no mitigation in the level of awards and we continue to see claims inflation, in excess of the overall inflation level".

The group was formed in July 1990 by Assurances Générales de France (AGF) and Irish Life, Ireland's largest life assurance company, to consolidate their interests in the Irish non-life insurance market.

They acquired the Irish business of the Insurance Corporation of Ireland in July 1990, and all of the issued share capital of Church and General Insurance in June 1991.

AGF owns 66.3 per cent of the group, and Irish Life holds 30.4 per cent. The balance is held by former minority shareholders in Church and General.

The group now has 14 per cent of the general insurance market in Ireland, accounting for 24 per cent of the liability insurance, 9 per cent of the motor insurance, 63 per cent in international, marine and aviation and 13 per cent in property.

NEWS DIGEST

Newarthill net loss up to £72m

LOSSES AT Newarthill, the family-controlled holding company for the civil engineer Sir Robert McAlpine, jumped from £6.2m to £42.8m in the 12 months to October 31.

The company turned round to a trading loss of £10.5m, against a profit of £3.68m, and provided an exceptional £25m for writing down the value of the property joint venture in Leicester.

Directors said the construction operations were profitable but the performance of the Australian property interests was the main contributor to the loss.

The financial reconstruction in Australia had been finalised; it entailed a contingent debt/equity swap under which no interest was payable for the next five years.

Below the line the company provided £33.5m for diminution in value of fixed assets investments and properties and for contingent liabilities, to leave an attributable loss of £71.8m (profit £12.6m). Losses per share were 287.2p (80.7p).

Second half recovery at A&C Black

Improved sales in the second half helped A&C Black, the book publisher and distributor, record a 41 per cent increase in annual profits.

After a setback at the interim stage, when profits dipped to £154,000 (£214,000), the pre-tax line for the 12 months to December 31 recovered to £389,000 against a depressed £276,000. Turnover edged ahead from £6.32m to £6.84m.

Earnings per share emerged at 16.9p (14.5p). A recommended final dividend of 8.75p maintains the total at 13p.

BHH hit by rise in interest charges

An increase from £3.93m to £10.6m in net interest charges left BHH Group, the property investment, trading and development company, with a pre-tax loss of £4.68m for the year to December 31, compared with a profit of £951,000.

Property investment income rose from £14.2m to £16.4m while income from trading and development increased from £7.59m to £9.35m. Profits, before interest and tax on investment income, increased from £5.73m to £7.27m, but property trading and development declined from a profit of £2.72m to a loss of £1.39m.

Losses per share emerged at 7.87p (10.81p) and there is no dividend (1p).

There were no exceptional items in the past year, compared with £3.57m in 1990; extraordinary items totalled £785,000 against £3.03m.

Peek expands with DM1m German buy

Peek, the traffic control and field data systems group, has acquired Unicomp, which is involved in the development and sale of products and systems for traffic control in eastern Germany.

The consideration is DM1m (£352,000), consisting of DM300,000 cash on completion and an additional DM700,000 two years later to be satisfied by the issue of 439,830 Peek ordinary.

Southend Properties sells Hamlet stake

Southend Properties yesterday exchanged contracts for the sale of its 79 per cent interest in Hamlet International, an import/export clothing company.

The purchaser is Hamlet Holdings, a new company formed for the purpose of acquiring the total issued capital of Hamlet.

Southend will receive £7.08m cash and a 20 per cent shareholding in the purchaser, valued for the purposes of the transaction at £2.4m.

Hamlet's loan account with Southend, amounting to £3.15m, is to be repaid by the Hamlet group.

Barlows slips £339,000 into red

Barlows, the property investor and developer, incurred a pre-tax loss of £339,000 for 1991 compared with a profit of £415,000 for the previous year.

Turnover was little changed at £2m against £2.1m.

Net losses were 0.77p per share (earnings 1.23p) but the dividend total is maintained 2.475p with a proposed final of 1.65p.

Directors said 1991 had been a difficult year. However borrowings had been reduced, liquidity was firmly under control, interest was capped, and since the year end significant lettings had been achieved.

Alexander Russell optimistic of growth

Alexander Russell, the quarrying, concrete and coal group, recorded a 9 per cent drop in pre-tax profit for 1991.

This is the second year of downturn but "we believe that growth has now resumed and will carry on strongly for many years to come", said Mr Russell Nicholson, chairman.

Sales slipped to £37.7m (£38.8m) and profit fell to £1.66m (£1.83m) on a restated basis. Expenditure on rationalisation and closure of business in 1990 has been charged as exceptional, rather than extraordinary.

Mr Nicholson said the reduction in quarrying turnover was limited to 6 per cent and profits to 14 per cent.

In concrete, profits were up 5 per cent mainly because of an excellent performance of the roof tile business. The opening of the Burton-on-Trent plant increased tile sales substantially.

Profits from the coal division were much improved. Rationalisation was nearing completion and had reached a level where steady profits were expected.

Earnings per share were 2.59p (3.51p) basic and 3.32p (3.77p) fully diluted. The final dividend is 1.15p for an unchanged total of 2.15p.

Airbreak Leisure beats forecast

The ending of the Gulf war and the demise of the International Leisure Group brought a surge of bookings to Airbreak Leisure Group, a tour operator.

As a result pre-tax profit for 1991 came to £1.63m, compared with £1.5m forecast in the prospectus last August and with £711,000 achieved in 1990.

Sales for the current year were holding up strongly, said Mr David Lewis, chairman. The acquisition of Sunsail International in February is expected to make a notable contribution, along with a full year's benefit from Goldcrest Aviation, the joint venture with Champion Holdings.

Turnover expanded to £43.2m (£18.8m) and the operating profit increased to £1.6m; against £709,000 struck after £360,000 exceptional costs.

Earnings per share came to 5.92p (1.74p) and the dividend is 1.3125p as forecast.

Following introduction to the USM, a further £2m cash subscription was entered into by Champion, combined with the joint venture.

PUBLIC WORKS LOAN BOARD RATES

Effective April 15

Years	Quota loans* EP†	A††	Maturity§
1			10¼
Over 1 up to 2	10⅛	10⅛	10¼
Over 2 up to 3	10⅛	10⅛	10
Over 3 up to 4	10	10	9⅞
Over 4 up to 5	10	10	9⅞
Over 5 up to 6	10	9⅞	10
Over 6 up to 7	9⅞	9⅞	10
Over 7 up to 8	9⅞	9⅞	10⅛
Over 8 up to 9	9⅞	10	10⅛
Over 9 up to 10	10	10⅛	10⅛
Over 10 up to 15	10⅛	10¼	10¼
Over 15 up to 25	10¼	10¼	10¼
Over 25	10⅛	10¼	10¼

*Non-quota loans A are 1 per cent higher and non-quota loans B 2 per cent higher in each case than quota loans. †Equal instalments of principal. ††Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). §With half-yearly payments of interest only

DSM N.V.
Incorporated in Heerlen, The Netherlands.

1991 dividend

The total dividend of DSM N.V. for the financial year 1991 has been fixed at NLG 8.00 per share of NLG 20.00 nominal value. An interim dividend of NLG 2.65 having been paid in August 1991, the final dividend payable amounts to NLG 5.35.

At the General Meeting of Shareholders, held on April 15, 1992, it was decided that the final dividend of NLG 5.35 will be paid entirely in cash or, if so desired by the shareholder, NLG 2.65 will be paid in cash and the remainder, NLG 2.70, in the form of ordinary shares, to be charged to Other Reserves or to the Share Premium Account. These new shares will entitle the holder to dividend for 1992 and the following years.

The conversion rate for the stock dividend has been fixed at 1/36 new share per existing share of NLG 20.00 nominal value. The stock dividend paid out against the Share Premium Account is exempt from Netherlands income tax and dividend tax.

Shareholders may, as from April 29, 1992, obtain from the office of the company's paying agent in the United Kingdom:

S.G. Warburg & Co. Ltd.
Paying Agency
2 Finsbury Avenue
London EC2M 2PA

- upon presentation of Coupon No. 6: NLG 2.65 less 25% withholding tax per share of NLG 20.00 nominal value, being NLG 1.9875 net;
- upon presentation of Coupon No. 7: NLG 2.70 less 25% withholding tax per share of NLG 20.00 nominal value, being NLG 2.025 net. Shareholders may optionally claim a stock dividend amounting to one new ordinary share of NLG 20.00 nominal value per set of 36 No. 7 coupons.

United Kingdom income tax will be deducted at the rate of 10% unless claims are accompanied by an affidavit. Withholding tax deducted in excess of 15% is recoverable by United Kingdom residents. The company's United Kingdom paying agent will, upon request, provide the appropriate form for such recovery.

The new shares shall, insofar as they are in the form of K-certificates, be issued with coupon Nos. 8 and following and a talon.

To holders of shares in the form of CF-certificates, the cash dividend and the stock dividend will be made payable through the depositary in whose custody the dividend sheets of the shares were after office hours on April 15, 1992.

In case of stock dividend rights not exercised by June 12, 1992, the shares corresponding to these rights will in principle be sold and the net cash proceeds will be proportionately committed to these unexercised dividend rights.

Since in accordance with Circular No. 90-56 of the Amsterdam Stock Exchange Association a commission on the stock dividend will be paid to company members of this association, the stock dividend paid out to shareholders will be exempt from commission.

Shareholders who claim payment of dividend in cash or in ordinary shares at a bank other than that mentioned above shall be charged commission accordingly.

Heerlen, April 16, 1992
The Managing Board of Directors

DSM

YORKSHIRE BUILDING SOCIETY
£10,000,000 Floating Rate Subordinated Notes due 1999

In accordance with the terms and conditions of the notes, notice is hereby given that for the three months period from April 13, 1992 to July 13, 1992 the notes will carry an interest rate of 11.125 pct (including the margin of 0.75 pc.). The coupon amount so calculated payable on July 13, 1992 will be £2,766.05 for the denominations of £100,000.

Banque Générale du Luxembourg S.A.
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Beatrix Mines Limited
Incorporated in the Republic of South Africa – Company Registration No. 77/02729/06

Share capital: Authorised – 150 000 000 ordinary shares of no-par value
: Issued – 85 000 000 ordinary shares of no-par value

Report for the quarter ended 31 March 1992

	Quarter ended 31.03.1992 R'000	Quarter ended 31.12.1991 R'000	Year to date 01.09.91 31.03.1992 R'000
INCOME STATEMENT			
Income			
Interest received	1 518	1 134	2 945
Royalty	14 979	15 012	35 743
Dividends	6 000	6 000	19 000
	22 497	22 146	57 688
Sundry expenditure	137	159	347
Income before taxation	22 360	21 987	57 341
Taxation	7 854	7 676	18 407
Income after taxation	14 506	14 311	38 934
Retained income at beginning of period	25 943	11 632	1 515
Distributable income	40 449	25 943	40 449
Dividends declared	29 750	-	29 750
Retained income at end of period	10 699	25 943	10 699
BALANCE SHEET			
Capital employed			
Share capital	131 466	131 466	131 466
Retained income	10 699	25 943	10 699
	142 165	157 409	142 615
Employment of capital			
Fixed assets	128 026	128 026	128 026
Net current assets	14 139	29 383	14 139
Current assets	49 331	42 222	49 331
Current liabilities	35 192	12 839	35 192
	142 165	157 409	142 165

REMARKS:
(i) The figures are unaudited.
(ii) The report has been approved by the board.
(iii) The attention of shareholders is also drawn to the quarterly report of Beatrix Mine which appears elsewhere in this edition.

Registered and head office
General Mining Building
6 Hollard Street
Johannesburg 2001
(PO Box 61820, Marshalltown 2107)

London office
Gencor (UK) Limited
30 Ely Place
London EC1N 6UA

Transfer offices
South Africa:
Central Registrars Limited
154 Market Street
Johannesburg 2001
(PO Box 4844, Johannesburg 2000)

United Kingdom:
Barclays Registrars
Bourne House
34 Beckenham Road
Beckenham
Kent BR3 4TU

General Mining, Metals and Minerals Limited
Secretaries
per: D J D Ross
Manager: Administration and Secretarial Services

Johannesburg
15 April 1992

Gengold Group

Oryx Gold Holdings Limited
Incorporated in the Republic of South Africa – Company Registration No. 69/01900/06

Share capital: Stated – 587 500 100 ordinary shares of no-par value
: Issued – 165 000 200 ordinary shares of no-par value

Report for the quarter ended 31 March 1992

	Quarter ended 31.03.1992 R'000	Quarter ended 31.12.1991 R'000	Year to date 01.09.91 31.03.1992 R'000
INCOME STATEMENT			
Income			
Interest received	24 073	24 770	57 039
Financing costs	24 053	24 665	56 678
Sundry expenditure	95	121	255
Income/(loss) before taxation	(75)	(6)	106
Taxation	(33)	10	70
Income/(loss) after taxation	(42)	(16)	36
Retained income at beginning of period	11 916	11 932	11 838
Retained income at end of period	11 874	11 916	11 874
BALANCE SHEET			
Capital employed			
Share capital	621 089	621 089	621 089
Shareholders' loans	302 064	212 718	302 064
Retained income	11 874	11 916	11 874
	935 027	845 723	935 027
Long-term liabilities (see note)	550 000	550 000	550 000
Deferred taxation	1 002	1 035	1 002
	1 486 029	1 396 758	1 486 029
Employment of capital			
Fixed assets	424 526	424 526	424 526
Loan to St. Helena Gold Mines Limited	1 048 191	964 089	1 048 191
Net current assets	13 312	8 143	13 312
Current assets	16 500	12 994	16 500
Current liabilities	3 188	4 851	3 188
	1 486 029	1 396 758	1 486 029
NOTE:			
Long-term liabilities			
Includes Eurodollar loans of $41,5 million, which are fully covered	123 958	123 983	123 958

REMARKS:
(i) The figures are unaudited.
(ii) The report has been approved by the board.
(iii) The attention of shareholders is also drawn to the quarterly report of Oryx Mine which appears elsewhere in this edition.

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Barclays Registrars
Bourne House
34 Beckenham Road
Beckenham
Kent BR3 4TU

General Mining, Metals and Minerals Limited.
Secretaries
Per: D J D Ross
Manager: Administration and Secretarial Services

Johannesburg
15 April 1992

Gengold Group

The impossible can be done at once, but miracles take longer

Shareholders, bondholders and 60 banks all had interests to protect. Maggie Urry unravels the saga of Brent Walker's financial restructuring

LITTLE SHORT of miraculous, was the final verdict of Brent Walker's chairman on the group's £1.65bn financial restructuring, completed on the last day of March. As other companies – like Heron, Olympia & York and Speyhawk – begin the same process, there are lessons to be learned from the Brent Walker experience.

The restructuring plan – the biggest in UK corporate history – envisages the group trading its way to a position by the end of 1997 where it can repay or refinance its debt again on a normal commercial basis.

Like so many events in the 18-month-long process of sorting out the leisure and property group's financial difficulties, the restructuring was completed at the eleventh hour. A delay beyond midnight on March 31, when shareholder approval for the restructuring ran out, could have pushed the group into receivership.

From the autumn of 1990, when Brent Walker's difficulties became apparent, until the restructuring was completed, the threat of receivership hung over the group, its 14,000-plus employees, its unsecured trade creditors, and its shareholders.

There was no doubt that receivership would leave the banks little, and the other interested parties nothing. Throughout the process, banks were calculating whether they would be better off approving a refinancing or calling in a receiver. Mr John Leach, Brent Walker finance director, says that, even in the days before the banks signed the final restructuring plan, they were reworking their sums on the value of the two options.

What made the company capable of salvation, according to Mr Nick Lyle, a partner in Touche Ross, the accountant, was that it had two businesses – its pubs and its betting office chain – trading profitably and generating cash.

Mr Lyle, who headed the team employed by the banks to help produce a business plan for the company, says that these two operations could service a bit of the debt and hold out hope that one day they would be worth enough to repay the principal. By comparison, he says, on an insolvency basis "the numbers looked pretty disappointing". A forced seller in the middle of a recession would get little for the businesses.

The task of sorting out the mess was phenomenal. But even so, there is a belief among many of the participants that much time was wasted along the way. Indeed the original plan was for the restructuring to be finished by February last year, three months after the company's banks agreed to a standstill on the debt in November 1990.

The restructuring plan was thrashed out by June last year but it took 10 months to get it agreed by shareholders, bondholders and banks.

In the period between, the debt mounted as interest rolled up. When the standstill was signed, debt stood at £1.4bn but by the end it had reached £1.65bn. The business plan written in spring last year had to be rewritten by the autumn as trading conditions deteriorated.

One of the group's advisers blames "the intransigence and inefficiency of the banks. A lot of issues which could have been settled in a day or two took weeks to resolve."

The greatest problem was the large number of banks involved and the variety of their interests. This was inevitable given the way Brent Walker had financed its expansion.

The story of how Mr George Walker, one-time boxer, built the group through the 1980s is now well known. A series of acquisitions – such as the £685m purchase of the William Hill betting office chain from Grand Metropolitan, the food, drinks and retailing company, late in 1989 – and property deals like the developments at Le Touquet in France and Puerto Sherry in Spain – left the group with a range of different banks, with different exposures, terms and security.

In all there were about 60 main bank lenders, with exposures ranging from less than £1m to more than £100m, as well as bank groups such as those in France and Spain which lent on particular property developments.

This became a common problem in the 1980s as old-fashioned relationship banking was undermined by competition between banks frantic to lend. One foreign bank, says Mr Nicholas Ward, Brent Walker's group managing director, had opened a London office and headhunted a three-person team from a bank which had already lent to Brent Walker. One of the team's first moves in its new home was to ring Brent Walker and offer a loan.

The company found that it was usually the banks with the smallest loans which caused the biggest problems. But the leading banks with the larger exposures could not buy out the small ones without other banks wanting to get out too.

Lord Kindersley, who became Brent Walker's chairman in January last year, says that when he arrived he thought that the banks would have a common aim. But, he says: "You would not have been aware of an identity of interest from the difficulties raised along the route."

Mr Lyle says that the banks involved came from all over the world and had "different cultures, different lending philosophies and different attitudes". Two of them were close to insolvency themselves. Many of the banks, he says, had not done a detailed assessment of Brent Walker, but merely lent because they knew that if they did not, then another bank would.

Those philosophical differences were on top of the variety of commercial interests the banks had. "Some banks were better placed than others," says Mr Lyle, "some had security over a particular asset and could see that asset covering their debt." All the banks had to be persuaded to take a common view.

This divergence between the banks was most obvious in the case of William Hill. Brent Walker had bought William Hill using an off-balance sheet company, which had a £350m loan from a syndicate of 30 banks, of which 17 were also in the main 47-bank group. But the interests of the two sets did not always coincide.

As one of the two core businesses, William Hill is an essential source of cash and future value for the lenders to Brent Walker. But banks which had only lent to William Hill felt that they owed nothing to the Brent Walker banks. Those which were in both would want to favour one side or the other depending where their larger exposure was.

"A lot of the last three months has been wasted on William Hill," says one adviser. Trading had deteriorated as the recession worsened and people cut down on gambling. The non-Brent Walker banks in the syndicate, which had lent about 40 per cent of the total, threatened to pull out if they did not get extra protection.

In the end a compromise was reached under which the maturity date of the William Hill loan was shortened from December to March 1994. At that point the loan could be refinanced or the Brent Walker banks might be prepared to fund it.

The greatest setback, say the company's directors, was last summer when the steering committee of banks, headed by Standard Chartered, accepted an amendment to terms offered to bondholders on behalf of all the banks. But then a handful of the banks refused to agree and another arrangement had to be dreamt up.

Critical issues arose frequently, any of which could have pushed the group over the brink. "It was crisis management all the way through," says Mr Leach. Every morning there was an 8am meeting to review the current crises and at midnight there would be another meeting to decide if people could go home.

Some problems were almost comical. Mr Ward tells how one day a man turned up in the group's French office saying he had been appointed by the commercial court in Boulogne as a kind of receiver-in-waiting. Mr Ward had to fly over to France to explain why the whole company should not be put into receivership. The court appointee was not satisfied until he saw the sale of the Le Touquet development completed.

Many others were distractions from the negotiations with the banks. The removal of Mr Walker from the board was one such, as was the arrival of the Serious Fraud Office, the proposed – but, as it proved, unrealistic – bid for the company from Lonrho, the international trading group, and the unravelling of the Walker Power joint property ventures.

Throughout, the negotiations and documentation work demanded long hours, often late into the night. In the last week before the restructuring was completed, a lawyer arrived for a meeting on Tuesday having had eight hours sleep since the previous Saturday. The story is typical.

Mr Ken Scobie, chief executive, describes the process of producing listing particulars for the new shares to be issued through the restructuring, as a pantomime. The legal fees involved were greater than the market capitalisation of the company, he says. Directors had to verify everything in the 188-page document and would spend whole Sundays at the task. By the end, Mr Scobie says, "the only thing I had not done was produce my grandmother's birth certificate".

Every stage of the restructuring involved huge amounts of paperwork, with teams of lawyers each vetting them all and duplicating effort. Brent Walker paid for the agent banks' lawyers, all the banks' lawyers and the bondholders' lawyers, but some banks were also employing further teams of lawyers.

Now that the restructuring has been completed, Lord Kindersley hopes that life will be simpler – although the banks will have to be kept informed on a regular basis of progress. He believes that now the banks have a majority of the group's equity – because £250m of debt has been swapped for shares – there will be an identity of interest at last, with everyone working to create value for shareholders.

The group's new management team believes that the banks did not move fast enough to bring in professional management.

It is also now widely agreed that the entrepreneur who builds up a business is unlikely to have the skills to manage it in crisis.

Brent Walker's internal financial reporting had been weak, Mr Leach says. And under the November 1990 standstill agreement, it was "obliged to provide monthly accounts that ICI would have had difficulty producing".

Mr Lyle says that the banks were slow to accept the principle that the company would have a good chance of surviving if it did not have the burden of servicing its debts entirely in the short term. The debt-to-equity swap resulted.

He says that banks must be prepared to lend not simply on security but by taking a view of their borrowers' likely profit and cash streams.

He works Brent Walker's numbers out thus: of the £1.65bn debt, £250m has been converted into equity. Another £400m will be paid off through asset sales made over the next few years. That leaves £1bn of debt – still high, but "William Hill and the Brent Walker pubs could be worth more than that by the end of 1997".

CONTRACTS & TENDERS

INVITATION FOR BIDS

Loan No : 2602 TU
File No
Order No : 114-1SB/DIB-259
Date of Issuance : 20.4.1992
Bid Submission Date : 4.6.1992

1. The TURKISH ELECTRICITY AUTHORITY, hereinafter referred to as TEK, has received a loan amounting 140.000.000. USD from the WORLD BANK in various currencies towards the cost of Power Systems Operations Assistance Project and part of the proceeds of this loan will be applied to eligible payments under the Contract(s) for which this Invitation For Bids is issued.

2. The TURKISH ELECTRICITY AUTHORITY now invites sealed bids from eligible Bidders for supply of a total of apparatus and equipment for distribution systems.

   All the above equipment shall be supplied according to the Bidding Documents.

   Each bidder may submit a bid for any item of instruments or combination of items. All bids and combination of bids shall be opened and evaluated simultaneously in order to determine the bid or combination of bids offering the total advantageous solution for TEK. The bidders shall be allowed to offer a discount price for the combination of the contract.

3. Interested eligible Bidders may obtain further information from and inspect the bidding Documents at the office of:

   TURKISH ELECTRICITY AUTHORITY
   General Management
   Commercial Affairs Department
   İnönü Bulvari No: 27 Kat: 1
   Bahçelievler Son Durak
   ANKARA/TURKEY
   Telex: 42245 tek tr

4. A complete set of Bidding Documents may be purchased by any interested eligible Bidder on the submission of a written application to the above office and upon payment of a non-refundable fee of 50 USD or 300,000 TRL (excluding VAT) at the following address:

   TURKISH ELECTRICITY AUTHORITY
   General Management
   Department of Finance
   İnönü Bulvari No: 27 Kat: 4
   Bahçelievler Son Durak
   ANKARA/TURKEY

   Those Bids submitted by the Bidders who did not purchase the Bidding Documents shall be rejected

5. All bids must be accompanied by a bid security in an acceptable form of not less than 3% (three percent) of the bid price and must be delivered to the above office on or before 12.00 hours on 4.6.1992.

6. Bids will be opened in the presence of those bidders' representatives who choose to attend at 14.00 hours on 4.6.1992 at the office:

   TURKISH ELECTRICITY AUTHORITY
   General Management
   Commercial Affairs Department
   İnönü Bulvari No: 27
   First Floor No: 7
   Bahçelievler Son Durak
   ANKARA/TURKEY

7. BILL OF MATERIALS

		Quantity
A-3	KVA	60
B-10	KVA	40
C-25-40	KVA	35

B 33360

LEGAL NOTICES

Company No: 02308070.
Registered in England & Wales
INSOLVENCY ACT 1986
RESOLUTION OF
MOTORSPORT MARKETING SERVICES LIMITED
Passed 2 April 1992
At an extraordinary general meeting of the above named company duly convened and held at 43 Temple Row Birmingham B2 5JT, on 2 April 1992 the following resolution were passed: No 1 as an extraordinary resolution and No 2 as an ordinary resolution:
1 That it has been proved to the satisfaction of this meeting that the company cannot, by reason of its liabilities, continue its business and that it is advisable to wind up the same and THAT accordingly the company be wound up voluntarily.
2 THAT John Frederick Powell and David John Comey, of Cork Gully, 43 Temple Row Birmingham B2 5JT be and are hereby appointed liquidators of the company.
Dated - 2 April 1992
A A Kember -Chairman
At a meeting of creditors held on 2 April 1992 the creditors confirmed the appointment of J F Powell & D J Comey as liquidator.

Registered in England & Wales
Company No: 00421738
INSOLVENCY ACT 1986
RESOLUTION OF
YARNTEX HOLDINGS LIMITED
Passed 2 April 1992
At an extraordinary general meeting of the above named company duly convened and held at 43 Temple Row Birmingham B2 5JT, on 2 April 1992 the following resolutions were passed: No 1 as an extraordinary resolution and No 2 as an ordinary resolution:
1 That it has been proved to the satisfaction of this meeting that the company cannot, by reason of its liabilities, continue its business and that it is advisable to wind up the same and THAT accordingly the company be wound up voluntarily.
2 THAT John Frederick Powell and David John Comey, of Cork Gully, 43 Temple Row Birmingham B2 5JT be and are hereby appointed liquidators of the company.
Dated - 2 April 1992
A A Kember -Chairman
At a meeting of creditors held on 2 April 1992 the creditors confirmed the appointment of J F Powell & D J Comey as liquidators.

Registered in England & Wales
Company No: 544256
INSOLVENCY ACT 1986
RESOLUTION OF
M&F LIMITED
Passed 9 April 1992
At an extraordinary general meeting of the above named company duly convened and held at 43 Temple Row Birmingham B2 5JT, on 9 April 1992 the following resolutions were passed: No 1 as an extraordinary resolution and No 2 as an ordinary resolution:
1 That it has been proved to the satisfaction of this meeting that the company cannot, by reason of its liabilities, continue its business and that it is advisable to wind up the same and THAT accordingly the company be wound up voluntarily.
2 THAT David John Comey, of Cork Gully, 43 Temple Row Birmingham B2 5JT be and is hereby appointed liquidator of the company.
Dated - 9 April 1992
Terence Edwards Chandler - Chairman
At a meeting of creditors held on 9 April 1992 the creditors confirmed the appointment of D J Comey as liquidator.

Notice of appointment of liquidator voluntary winding up
Company Number: 1942833
P M LAURENCE
(INSURANCE SERVICES) LIMITED
Previous name of company: MARLEON LIMITED. Nature of business: Insurance consultants. Address of registered office: 1 Port Way Port Solent Portsmouth PO6 4TY. Liquidator name and address PHILLIP G PORTER, Cork Gully, Hill House, Richmond Hill, Bournemouth BH2 6HS. Office holder number: 2891. Date of appointment: 2 April 1992. By whom appointed: members and creditors.
Date: 06 April 1992
Philip G Porter, Liquidator.

HANDYMEAD LIMITED
- IN LIQUIDATION
Resolution of the Creditors of Handymead Limited at the meeting of creditors held on 18 March 1992 at Gable House, 239 Regents Park Road, London, N3 3LF convened pursuant to Section 171(2)(b) of the Insolvency Act 1986.
It was resolved that:
1. Mr M S Langley be removed as liquidator of the company and, that;
2. Mr D J Comey of 43 Temple Row, Birmingham B2 5JT be appointed as liquidator in his stead, and that;
3. The appointment of Mr D J Comey be certified by the Chairman of the creditors' meeting in accordance with Insolvency Rules 1986, as amended.
Chairman of the meeting
Dated 18.3.92.

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COMPANY NOTICES

DIMOSIA EPIHIRISIS ELEKTRISMOU
(Public Power Corporation)
U.S. $50,000,000
Floating Rate Notes due 1994
NOTICE IS HEREBY GIVEN that for the Interest Period commencing on 21st April, 1992, the Notes will bear interest at the rate of 5⅜% per annum. The interest payable on 21st October, 1992 against Coupon No. 20 will be U.S. $14,814.58 per U.S. $500,000 Note.
Fiscal Agent
ROYAL BANK OF CANADA EUROPE LIMITED

SCOTTISH EQUITABLE LIFE ASSURANCE SOCIETY
Notice is hereby given that the ANNUAL GENERAL MEETING of the Society will be held in the SOCIETY'S HEAD OFFICE No. 28 ST. ANDREW SQUARE, EDINBURGH on Thursday, 23rd April 1992 at 12.30 p.m. to consider the Accounts and Balance Sheet and Reports of the Directors and the Auditor, to elect Directors, to determine the remuneration to be paid to the Directors and to appoint the Auditor.
A member of the Society entitled to attend and vote at any Annual General Meeting is entitled to appoint another person to attend and vote instead of him. Proxies must be lodged at the Society's Head Office not less than forty-eight hours before the time for holding the Meeting.
By Order of the Board,
D A BERRIDGE, Chief Executive
28 St. Andrew Square, EDINBURGH

Send for Corporate Finance Repairman!

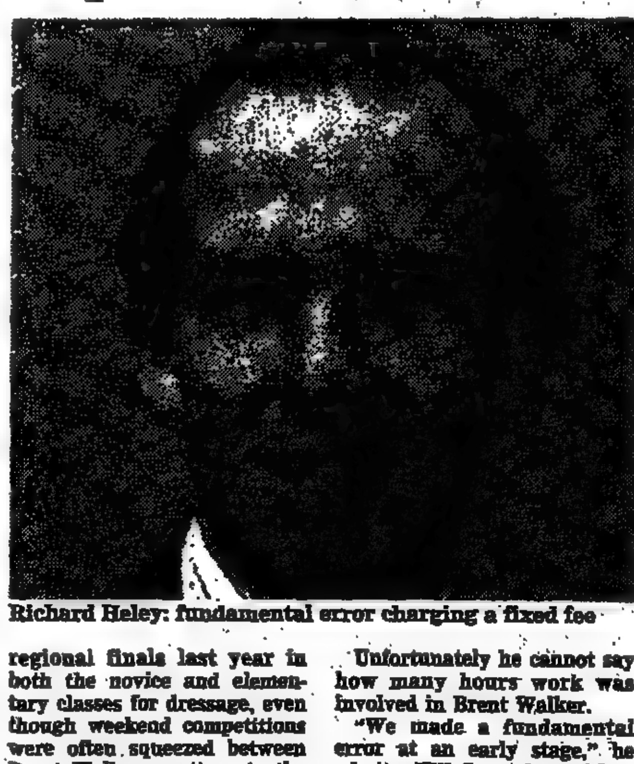
MR RICHARD Heley and Bernando will be competing today.

As the bay horse prances around the dressage ring, his rider will look cool, calm and collected whatever is happening beneath him, writes Maggie Urry.

It is a skill Mr Heley, who is head of corporate finance at Hill Samuel, the merchant bank, has perfected over the months since being appointed by Brent Walker in September 1990.

He has been the chief architect of the financial side of the group's rescue.

His current holiday is only the second he has had since he took on the gargantuan task. The first, in Italy last July, was accompanied by a fax machine which was put out of action for four days by a Tuscan thunderstorm causing considerable frustration back at the office.



Richard Heley: fundamental error charging a fixed fee

Mr Heley says his two children still recognise him despite his late nights at work and non-appearance at many school functions. His horse has blossomed, reaching the regional finals last year in both the novice and elementary classes for dressage, even though weekend competitions were often squeezed between Brent Walker meetings in the morning and evening.

Unfortunately he cannot say how many hours work was involved in Brent Walker.

"We made a fundamental error at an early stage," he admits. Hill Samuel agreed to work for a fixed fee rather than an hourly rate.

The two hardest periods were the seven weeks running up to the standstill agreement reached with the banks in November 1990 and the weeks between mid-February and June 7 last year when the proposals were put to the banks. Then he was working at least 18 hours a day, seven days a week.

The work was even tougher on Hill Samuel's computer. There is nothing more frustrating at 3am, Mr Heley says, than trying to put the next variant into a 10-year cashflow projection model only to find that the computer's capacity has been completely used.

Hill Samuel has re-equipped the department though, and is hoping to pick up business from the other corporate restructurings now taking place.

"Brent Walker was the first one that went the full course," he says, "so Hill Samuel has developed skills which others will find useful."

One lesson he has learned – next time he will be charging by the hour.

Higgs and Hill reveals £17m loss and cuts dividend to 3p

By Angus Foster

RECESSION IN its core markets of construction, property and housing forced Higgs and Hill to make exceptional charges of £20.9m and report a pre-tax loss in the year to December 31.

Announcing losses of £16.7m, against profits of £6.84m in 1990, Mr John Theakston, group chief executive, summed up: "It's not been a lot of fun out there."

Higgs is recommending a cut in the final dividend to 3p (14p) to make a sharply reduced total of 9p (20p), which is uncovered. The company said the final payment, combined with an "appropriate" interim, should be seen as the base for future dividends.

Turnover fell sharply to £345.2m (£488m) due to volume declines in its main markets. Operating profits dropped to £6.97m (£18.6m). A reduced interest charge of £2.75m (£4.35m) could not prevent profits before exceptionals falling to £4.22m (£14.2m).

Construction was worst affected and turnover fell more than 25 per cent to £309.4m (£422.3m). The fall was compounded by the closure of a specialist engineering business and reduced management contracting.

Trading profits from property fell to £1.3m (£4.48m) from turnover of £10.5m (£32.8m). Although the UK remained depressed, the company's Spanish office developments performed well and three have been pre-sold.

The housing division sold 235 units during the year, down from 280 in 1990, and average prices declined more than 10 per cent to £100,000.

Provisions of £13.6m were made to cover falls in housing land values. Following the provisions, average carrying values are at 20 per cent of unit sale prices which should allow the company to maintain its gross margin.

Other provisions of £7.34m covered commercial property, redundancy costs - staff numbers have been cut 35 per cent over the last 15 months, and a loss on a contract for the US bank JP Morgan.

Extraordinary losses of £7.51m for closures and disposals took losses attributable to shareholders to £19.7m. Combined with the dividend charge, a £23.7m transfer from reserves was required.

● **COMMENT**

Given the gloom from the construction leaders, Higgs and Hill's figures were hardly surprising. Indeed, the shares gained 8p to 88p, partly on relief the dividend was not cut further, and partly because the market appreciated the thorough levels of provisions. But while taking the full hit may be in vogue, predicting the company's recovery is more tricky. Its main construction division cannot expect to avoid a further downturn in line with the industry this year. Property also remains vulnerable in the UK and Higgs and Hill's problem is that only one of its three businesses, housing, is an early cycle recovery play. Following the dividend cut, this year's pay-out should total about 4.5p, suggesting a yield of 6.4 per cent. With forecast profits of £2.5m this year, putting them on a multiple of 22, the shares look fairly valued, even on net assets of close to 300p.

Culver achieves maiden £130,000

Culver Holdings, which was formed to make a recommended offer for Wyndham Group last July, achieved pre-tax profits of £130,000 for the six months to December 31.

Turnover totalled £10.3m and earnings per share amounted to 0.29p.

Mr Richard Read, chairman, said that both the BMW and Honda dealerships achieved profit in spite of the difficult market. Trading in the current quarter was "well up to expectations and ahead of the plan".

Culver is a subsidiary of EFNH, a private investment company incorporated in Guernsey.

Hanson sells off Beazer interests

Hanson, the Anglo American conglomerate, has sold the Australian construction and property interests of Beazer, its wholly-owned subsidiary, for A$32.5m (£14.4m) cash.

The interests, primarily in New South Wales and Queensland, have been bought by B&B Asia, a Hong-Kong-quoted company controlled by Bilfinger and Berger, the German construction company.

FINANCIAL TIMES SURVEY

SWINDON

Thursday April 16 1992

The driving force for growth may have lost some of its steam **Page 2**

High on the mailing list in Britain; First tourist stop in the West **Page 5**

After 30 years of unprecedented growth, the former railway town, which drew its inspiration from Brunel, appears to be slowing down. In the face of the recession, it is not clear whether this is by design or because it has reached its limits. **Stewart Dalby** speculates on its future in the 21st Century

Poised for more growth



Three faces of Swindon: the railway museum (left) evokes memories of yesterday when the town was a vital link in the Great Western; today's residents have a vast shopping area (centre) in the New Town; and Honda's new factory (right) gives an idea of what tomorrow could be as businesses prepare for the 21st Century

SWINDON, as a centre for relocation, is like an old variety artist who has continued pulling in the audiences in spite of the emergence of brasher new attractions.

In the past 30 years, Swindon has been one of the most outstanding success stories of all towns along the M4 corridor. Its population has grown from around 70,000 in the 1950s to 178,000 today.

Although there is criticism by business that the Thamesdown local authority has halted growth on greenfield sites, Mr Jim D'Avila, the deputy leader of the council, has outlined development which will take Swindon well into the next century.

Companies began moving to Swindon in the 1960s and continued to flock there until the economy started to go into recession at the end of the 1980s, even though other areas such as south Wales and the north-east were able to offer grants and subsidies.

The Japanese car maker, Honda, chose Swindon in the late 1980s, and will eventually employ 2,000 at its site at the old Vickers airfield on the outskirts of town, even though it is unusual for a Japanese manufacturer of this size to select the south of England. Japanese companies have tended to go to

Jim D'Avila: 'developers have misrepresented our plans'

Wales or Scotland and other old industrial areas, where the land is cheaper and government grants have been available, or to new towns such as Telford or Milton Keynes.

One obvious reason for Swindon's continuing success is its position on the M4 close to Heathrow airport and London. The M5 and M25 are also close by road, and London is only 55 minutes away by train.

But, it is also due to the foresight of local government leaders, who in the 1950s and 1960s bought up thousands of acres of land at agricultural prices.

Men such as the late Mr David Murray John, who today would be called the chief executive of the borough council, was the town clerk for most of the 1960s and part of the 1970s.

Swindon was asked to take overspill population from London, after the Second World War, and he realised that, with the population growing, the economy would have to be diversified away from the dependence on its principal employer – the railways.

Swindon Old Town and New Town were incorporated into the borough of Swindon in 1900. The Old Town was a small market centre, on a hill catering for the agricultural hinterland, while Swindon new town, at the bottom of the hill, was the result of the growth in the middle of the 19th Century of the Great Western Railway, which made the town its main engineering base and workshop. Today, Swindon itself is part of the borough of Thamesdown. After the Second World War, when the Great Western was nationalised with the other railway companies to form British Railways, some 14,000 people were employed by the railway – but by then the seeds of the subsequent decline in numbers, as facilities were rationalised and maintenance simplified, had already been sown.

Armed with the substantial land bank, the local council (which has been Labour-controlled apart from a small spell in the 1970s) set about attracting new employers.

The borough council could not give subsidies or sell land cheaply but its ownership and planning powers meant it was well placed to play an enabling role for private developers.

With the railways shedding jobs, skilled labour was available for incoming companies. Agressive marketing by the council and a favourable location, meant that companies flooded in.

By 1986/87, when the last British Rail engineering workshop (*Brel*) closed, throwing some 2,000 on to the labour market, the population had grown to 166,000 from 70,000 in the 1950s. It is now 178,000, and, before recession struck, Swindon claimed to be the fastest growing town in Britain.

A wide range of companies have been attracted: in financial services Allied Dunbar and the Nationwide Building Society; in distribution W.H.Smith, Reader's Digest and Book Club Associates; in engineering, Honda and Rover; in electronics National Semiconductors, Motorola, Intel, among others.

The boundaries of Swindon are not tightly drawn, so that although there is a central business district in and around the new town and a central shopping and leisure district, most of the 22 business parks are on the periphery. The houses that have had to be built for the growing workforce are also spread around the town.

Until recently, Swindon had not experienced the kind of congestion seen in other fast-growing centres. By 1989, however, Swindon, too, was showing signs of overheating, with unemployment down to 2.5 per cent.

Mr Tony Mayer, the leader of Swindon Borough Council, says: "It was not just a question of pressure on the environment, traffic congestion, parking problems and the like. Economic pressures were also starting to occur. Unemployment had fallen virtually to nothing and many companies were finding it difficult to find the kind of workers they needed."

The council decided it was time to consolidate. Specifically, it decided to oppose the development of any new greenfield sites. This, in turn, led some sectors of the business community to feel that the council had become anti-development.

Mr Lorne Barling, the editor of *Swindon Business News*, says: "The move to oppose new greenfield sites, together with the decisions by a couple of big companies like BMW and Coca-Cola not to come to Swindon, created the feeling, rightly or wrongly, that council was no longer interested in developing the town."

Mr David Griffin, of estate agents J P Sturge which acts for some of the big developers, says: "I wouldn't quite say the council turned anti-development, but running a town is like running a business. Unless you continue to develop, then you go into decline. After the recession there will be a demand for greenfield sites and if they are not here, the institutions and owner-occupier businesses will look elsewhere."

Suggestions that the council has turned against the business community are vigorously denied by Mr D'Avila.

"Developers have misrepresented what we plan. We have given consents which take us well into the next century. Our structure plan envisages 30,000 jobs being created by the year 2001. The northern township development alone will mean 10,000 houses and nearly 100 acres for industrial use.

"There is the Tarmac site by the railway which is 150 acres and plenty of empty office space in the city centre. We are not putting the shutters up. There is as much development in the pipeline now as there has ever been, but our parks and leisure facilities are at capacity, and many companies were complaining to us about labour shortages.

"We have to make sure there are enough homes for people who want to come here, to ensure there are enough schools and to sort out the city centre, both in terms of traffic, and refurbishing the shopping in the centre. Around 80 per cent of the people we asked in a survey we undertook wanted us to consolidate before we had further industrial development."

The recession has taken the heat out of the debate for the moment, since little housing development is taking place either in the northern development at Hayden or on the Tarmac site although a lot of infrastructural work has taken place. Once the economy improves, however, the pressure will be on again for headlong growth.

IN THIS SURVEY

Editorial production: Roy Terry
Graphics: Bob Hutchison
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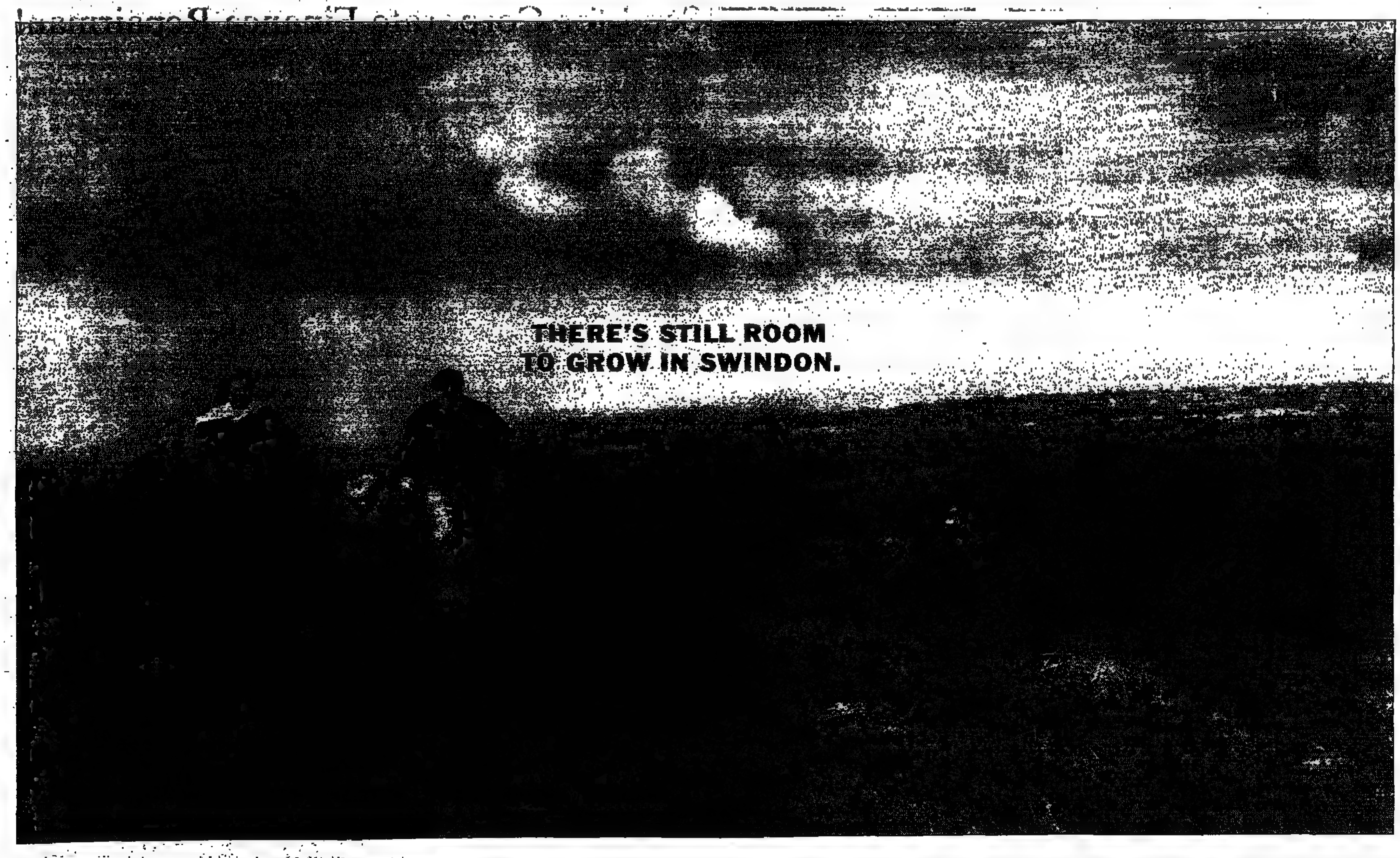

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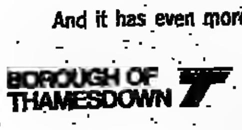

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Thamesdown Borough Council has a range of sites available.

Council answers claims that it has turned away from further growth

Driving force loses steam

THAMESDOWN has been a very enterprising authority council for a long time and has been the main driving force behind the town's expansion. From 70,000 in the 1950s, the population has more than doubled to 178,000 today.

After 30 years of active growth, however, there have been some signs more recently of a slowing down and of some uncertainty over the scope and rate at which future development should take place.

The evidence for this comes from a number of sources:

- After examining sites in a number of locations,BMW and Coca-Cola decided not to establish new plants in Swindon;
- Norwich Union withdrew from a scheme with the borough council to redevelop the main shopping complex in Swindon, the Brunel Centre;
- There have been cutbacks in spending at the economic development department which has been largely responsible for promoting Swindon in recent years;
- The council has decided to oppose the development of new greenfield sites.

on promoting growth.

Mr Tony Mayer, the leader of the Labour-controlled borough council, firmly denies that the council wants to stop further development.

He says: "Frankly, developers are taking far too naive a view of what we are doing. BMW wanted to develop a 92-acre site at Lydiard Fields at the western extremity of Swindon, just outside Thamesdown's local government area in the neighbouring district of north Wiltshire.

"There was a lot of local opposition to the development because there is a great deal of traffic around there, at Junction 16 of the M4 motorway. In the end, the application went to appeal to the department of the environment and permission was given.

"It was at the time of the collapse of eastern Europe and BMW decided it would be better off in Munich. The site is being developed.

"As for Coca-Cola, they wanted to develop the so-called Triangle site next to Honda. It was Thames Water which raised objections saying that there would not be enough water in the area for what the company had in mind, in terms of bottling or canning. It would have put pressure on the town's resources.

"With Norwich Union we went through a long list of potential developers and chose Norwich because of its good track record.

"We own the Brunel Centre. We accept that it needs refurbishing and upgrading. We were and still are keen to redevelop it. But come the recession, Norwich pulled out. It was we who were left in the lurch."

Mr Mayer says that in none of these cases could the blame for projects falling through be laid at the council's door. He insists that Thamesdown remains keen to help development wherever it can.

The deputy leader of the council, Mr Jim D'Avila, cites the case of Honda setting up on the old airfield on the east of the town at South Marston. Honda bought the 360-acre site for £3m in the late 1980s. This was less than a third of the going commercial rate at the time.

Had it not been so cheap Honda would probably have gone to either Wales or the north of England. The reason it was so cheap was that the land did not have planning permission.

Mr D'Avila says: "Once we knew that Honda was seriously interested we moved heaven and earth to get the planning permission. We knew that Honda would generate lots of jobs.

"Rover might have disappeared without Honda and Rover is a major employer."

Mr Mayer maintains it is just not true that the council has not made enough provision for further development of the town.

He says: "It is nonsense to suggest that we are anti-development. If you take in the northern development area, the Tarmac development at Churchward next to the station, the area left in the western expansion and the space on at least seven business parks, there are hundreds of acres for development. There is certainly enough space for at least the next 10 years. There is also around 1m sq ft of office space available in the town centre itself."

He continues: "The developers are interested in greenfield sites because they are cheaper and easier to develop. However, we must strike a balance. There has been a major expansion here in the past 20 years, one of the fastest anywhere in the country.

"Pressures do develop and we want to make sure that we not only preserve the physical and social environment but also the economic environment. It was, after all, the employers who were complaining to us about labour shortages."

Explaining the cutbacks at the economic development department where the head of social and economic development has been made redundant from his £40,000 a year job along with others, Mr Mayer says:

"There has been a programme of redundancies and natural wastage but this reflects the severe cutbacks which we, along with other local authorities, have had to cope with in our spending. It does not mean we are less committed to promote the town."

Mr Mayer says that the council's revenue budget has been slashed from £25m last year to £23m this year and will be cut to £21m next year. Economic promotion is one area where cuts have been made."

He says: "Times are very hard. We have £23m sitting in the bank from the sale of council homes but we are not allowed to spend it. Our capital budget has come down from £20m to £4m in the last two years."

The crux of the matter is that a council which has for so long been vigorously entrepreneurial and pro-active now finds stiff limits on its spending abilities.

The caps imposed on its outlays by the central government are not the only reason for its low-key promotion activities.

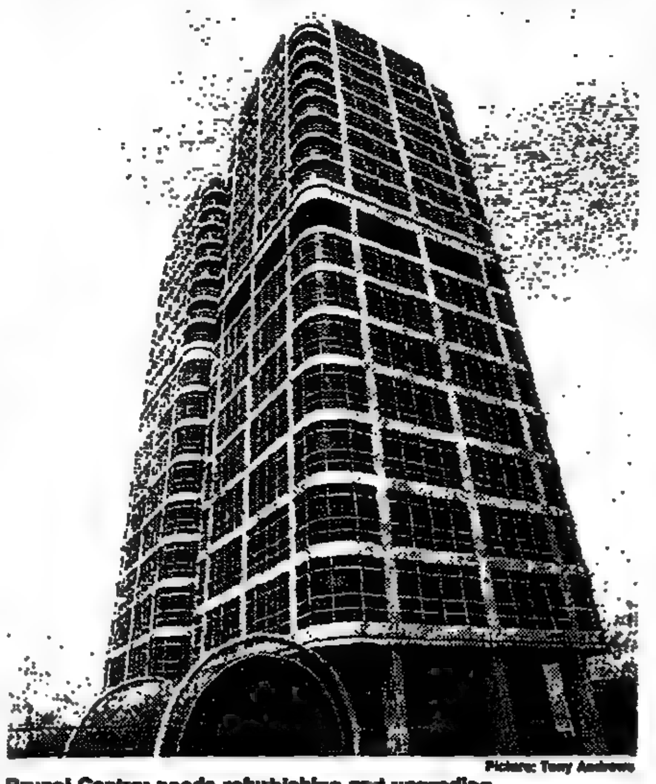
Mr David Griffin of J P Sturge, a main estate agent, says: "It is important to recognise that the council is no longer a major landowner. It is like an old aristocratic landowner who has been forced to sell his estate but still wants a say in how it is run."

A council officer who does not want to be identified puts it differently: "The council has had to undergo a cultural change now that it does not have the funds or the land to be an instigator of change. It is still coming to terms with this. Its changed role may have created the impression that it wants to blow the whistle on further development. This is not true."

Unfortunately it has been rather careless in the way it has presented its case for consolidation.

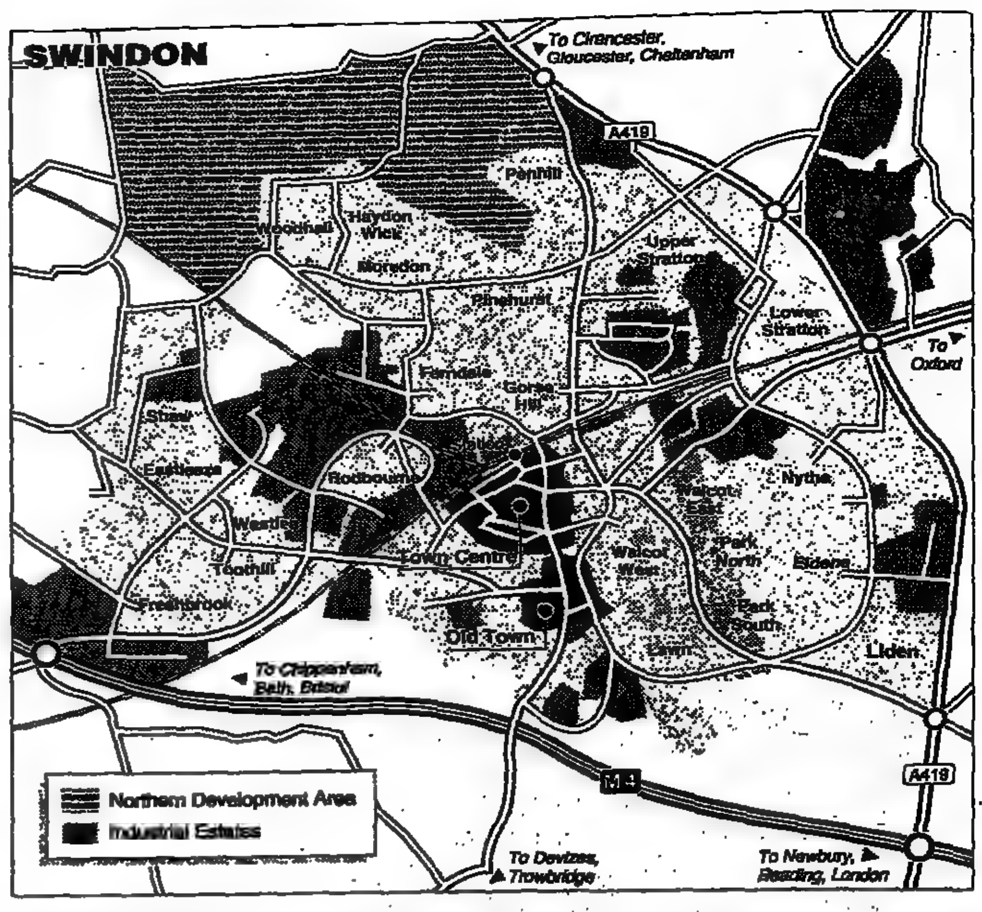
The danger is that once the institutional money starts flowing again after the recession ends, it will bypass Swindon and go to places such as Cardiff which is heavily promotional, because Swindon is thought not to be interested.

Stewart Dalby



Picture: Tony Andrews

Brunel Centre: needs refurbishing and upgrading



Stewart Dalby looks at land available for future development

Wide open space to expand

THE Thamesdown Borough Council claims there is enough land set aside to ensure Swindon's continued growth for at least another 10 years.

Yet some estate agents and developers argue that there exists a pent-up demand for new greenfield sites over and above the council's planning allocations.

It is almost impossible to tell who is right because the recession has had a becalming effect. There is little construction, few lettings and many of the planned developments are on hold.

On paper, however, it looks as as if there are sufficient development projects to continue the growth which has characterised Swindon for more than 20 years.

Tarmac is involved in a big development in Churchward next to the station. About 45 acres of this is a conservation area. It features 11 listed buildings some of them reputed to have been built by Isambard Kingdom Brunel.

On the remaining acres (the total development could be 137 acres), there are plans for more than 1m square feet of business space (B1 light industrial, B3 heavy industrial and B2 warehousing and distribution), some 160,000 sq ft of retail and 100,000 sq ft of leisure.

To the north of Swindon, in the so-called Northern Development Area at Haydon there are plans for a 10,000-unit housing project over a 1,500-acre area. This would be combined with an 80-acre industrial site earmarked for a campus of the Cranfield College of Technology.

Elsewhere, there are at least seven industrial estates which still have land available. These include the Interface Business Park which covers nine acres and the Lydiard Fields (92 acres with 50 acres available for industrial and commercial space and in which Hilton Hotels is interested. There is also space on the Delta Business Park, and on Burderop Wood, a 28-acre park.

In addition, there is at least 1m sq ft vacant in the town centre. Some of this is hanging over from the last speculative spurt of building in the mid 1980s.

But Nationwide Building Society has exacerbated the situation by vacating around 250,000 sq ft of office space in six blocks and moving its employees to a new site outside the town.

There are also hundreds of acres available for housing development and if the housing programme were to go ahead the population could swell by at least 30,000 by the end of the century.

The Haydon programme is on hold at present because one of the developers pulled out because of the recession. But it is likely the houses will be built in a better economic climate. Estate agents say there might be enough space available to meet expected demand, but the property may not be the right kind.

Mr Mark Wightman, a partner in agents Dreweatt Neate, says: "All the inquiries we have been getting in this office have been for designer-built and owned properties on new sites. There is very little interest in the existing office stock in the new town."

He adds: "Much of the office space in the town centre was built in the 1960s and 1970s.It has become outdated in terms of what companies want now. I think even without the recession it will be difficult to move some of the space on offer. It will take a long time.

"Much of the stock will have to be refurbished and in some cases it might be a question of tearing them down and starting again. Swindon does have a problem with the town centre. Apart from the office overhang, the shopping centre, the Brunel, badly needs upgrading."

Mr Wightman cites the "Honda effect". Honda is nearing completion of its 1m sq ft car assembly plant, north-east of Swindon close to the A419. The feeling is that once the plant is off and running it will draw dozens of subsidiary companies.

They, Mr Wightman believes, will be looking for space on new sites close to the Honda works. He says: "The general feeling of the local business community, backed by the Swindon Chamber of Commerce and Industry, is that while acknowledging that there are sites to be developed within the existing urban area, it is inevitable that further land will have to be released for employment purposes to balance the housing approvals already granted."

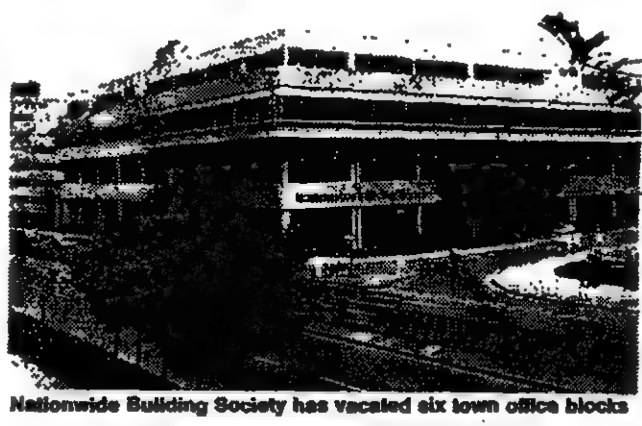
Mr David Griffin, a partner in J P Sturge another leading agent in Swindon, argues along the same lines. He says: "There is an overhang of second-rate space. This space is failing to attract occupiers.

"But it is vital to distinguish between this and new space. Appearances to the contrary, Swindon has not seen excessive speculative development of office and industrial space seen elsewhere along the M4.

"We are only just beginning to see the Honda effect. Some 140 companies have been designated as suppliers to Honda. Not all of them will be Swindon, of course, but many will. I think it is important that more greenfield land be released if Swindon is not to lose out to other locations in the 21st Century."

The official position of the Thamesdown Borough Council is that there is plenty of land available for any expansion of business at least until the end of the century. It is opposed to giving planning for any new greenfield sites.

But, as Mr Jim D'Avila, the deputy leader of the council, says: "We are not against reviewing the situation, say in 1996, if circumstances change."



Nationwide Building Society has vacated six town office blocks

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SWINDON 3

Two large businesses make up the core of the town's financial services

Giants dominate economy

SWINDON'S role as a financial services centre rests largely on the presence of two large concerns – insurance and personal finance group, Allied Dunbar, and leading building society Nationwide, both of which have chosen the town as the centre for providing a range of back-office services.

The advantages it can offer as a location have also resulted, however, in a number of small- and medium-sized companies flooding into the town, and these in turn have attracted a number of correspondingly small and medium-sized legal and accountancy firms. Large hotels with conference facilities have also been set up, the latest of which is the De Vere Hotel. There is a Holiday Inn and it is possible that a Hilton hotel will be built.

There are also several property and employment agencies. Mr Nicholas Davies, a senior audit manager at accountants Ernst & Young and president of the Swindon Chamber of Commerce, says: "Enough medium-sized businesses have established themselves in Swindon to ensure that there is enough work for lots of smallish accountants and not just the big boys. But the really large companies like Allied Dunbar tend to carry out a lot of services in house."

Swindon is, moreover, close enough to London (55 minutes by train) for large concerns to rely on legal and other financial services in the capital.

Allied Dunbar has its national headquarters in Swindon and employs 2,500 people in various buildings throughout the town. Nationwide

With these two big companies firmly established, it is unlikely that Swindon will attract any other large financial services group

employs 2,000 people in Swindon, another 2,000 in Northampton and has a small headquarters in London with about 100 people.

Both companies moved to Swindon in the early 1970s when white-collar businesses began leaving London in earnest.

Improved communications meant it was possible for service companies to move most so-called "back-office functions" out of London and save considerably on wage, rent and rates costs.

Mr Bernard Simpson, the technology director of Nationwide, says: "When the company started looking at the options in the early 1970s, Swindon seemed the best bet. It was close to London. There were tremendous communications not just with London but with the rest of the country. There was a supply of labour available from the railways. These workers also had wives who increasingly wanted to work. There were no other significant white-collar employers around at the time. The local authority was extremely welcoming in finding accommodation."

Nationwide has grown strongly over the years. It has just completed a move into new buildings on the outskirts of Swindon and vacated six offices in the town centre.

Mr Simpson says: "We moved because it suited us better to have everyone under one roof. Also, we wanted to avail ourselves of the latest information technology. Swindon has a very good technological environment." Mr Simpson adds that Swindon remains an ideal location for the company. "We have always been able to recruit and, more importantly, keep the staff we needed."

The company, Mr Simpson says, has been hit by the recession but only to the extent that it has stopped taking on new staff. The company has not had to lay off people.

Allied Dunbar has a similar story to tell. Mr Bob Gill, corporate affairs director, says: "The founders of Allied Dunbar were with Abbey Life in the early 1970s. They were in a hurry to set up the new company. They came upon Swindon and it seemed ideal. It was convenient. It was close to London. But there was this huge captive labour market. The borough council was very helpful and welcoming."

Allied Dunbar has expanded considerably. In 1975 there

Picture: Tony Andrews

Allied Dunbar headquarters: 2,500 employees in Swindon

were 75 employees. Now there are 2,500 people working for the company in Swindon.

Mr Gill says: "We have never had trouble in finding new staff. We have a good, stable workforce. Turnover is very low."

Mr Gill adds that costs have remained well under control in Swindon. Office rents are also reasonable.

Just as with Nationwide, the recession has slowed Allied Dunbar's recruitment rate, but the company has not announced any redundancies.

"We are still doing well. The company made £121m profit last year," he says. This compares with £118m the year before.

Looking to the future, Mr Gill says: "I suppose if there were to be another boom, then we might find it difficult to recruit the people we need. Two years ago shortages were beginning to appear in the local labour market. The town had virtually reached full employment. On the other hand, increasing automation means we would probably not have to take on new people at the same rate as we used to. Anyway, shortage of labour is not a problem that we or Swindon have to worry about at the moment."

With these two big companies firmly established, it is unlikely that Swindon will attract any other large financial services group. Nevertheless, there are nearly 5,000 people employed in financial services which makes this sector an important part of the town's economy.

Stewart Dalby

KEY FACTS

County authority	Wiltshire County Council
Local authority	Thamesdown Borough Council
Chief executive	David Kent
Borough planning officer	Nicholas Davies
Area	23,039 hectares
Population	178,000
Projected population 2000	198,908

Population age structure

Age	Swindon	%	UK	%
0-17	38,287	22	13.12m	23
18-54	95,292	55	29.46m	51
55+	36,682	22	14.82m	26

Employment by sector

Agriculture, forestry, fishing	0.5%
Energy & water supply	2.3%
Mining/quarrying, metal manufacture & chemicals	3.4%
Engineering, metal goods, vehicles	14.7%
Other manufacturing	8.3%
Construction	4.6%
Distribution, hotels, catering, repairs	23.5%
Transport & communications	7.4%
Banking, insurance and business services	13.4%
Other services	21.9%

Unemployment *(Autumn 1991)*

Male	6,273 (9.2%)
Female	2,161 (4.1%)

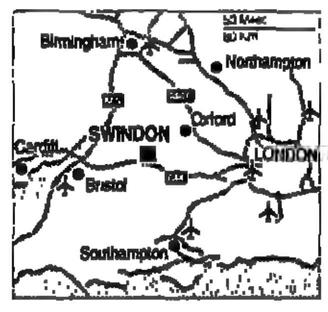
Main employers
W H Smith, Book Club Associates, PHH (Europe), Government Research Councils (Economic, Environmental, Agricultural), Intergraph (UK), Nationwide Building Society, Burmah Castrol, Sir William Halcrow & Partners, Intel Corporation, Allied Dunbar Assurance, Honda, Rover

Average house prices

3-bed semi	£63,000-£75,000
4-bed detached	£85,000-£125,000

Prime rents (£ per sq ft)

Office	Industrial	Retail
£11.00	£7 -£7.00	£14.50



Nearest airports
Heathrow, Bristol, Southampton

Road travel times

Birmingham	90 min
Bristol	45 min
Heathrow	60 min
London	90 min
Oxford	45 min

Rail travel time

London	55 min

Source: National Starpoint (Tel: 0785 43235)

Picture: Tony Andrews

One of the main shopping streets: even success stories are not immune from the recession

Swindon has achieved a balanced economy

On the right track

SWINDON has successfully diversified its economy away from the railways which for most of this century was the town's biggest employer.

After the Second World War, some 14,000 people were employed by Great Western Railways in Swindon. After nationalisation, there was a gradual rundown in operations until 1986-87 when British Rail Engineering Ltd (Brel), the last of the big railway employers in the town, closed down with a loss of 2,000 jobs.

Swindon has made good these losses and created new jobs in four broadly defined areas – manufacturing, financial services, distribution and mail order, and electronics.

Although Swindon has been trying to limit its reliance on manufacturing, around 26 per cent of the workforce is still involved in this sector. This is higher than the national average of just under 24 per cent, and much higher than the average for the south-east, where some towns have 18 per cent or less of their workforce in manufacturing.

Swindon has achieved a genuinely balanced economy. So successful has the diversification been that two years ago companies were concerned about possible labour shortages and the overheating of wages which could follow. Late in 1989 unemployment fell to 2.5 per cent.

Even success stories are not immune from the recession. Over the past two years male unemployment has shot up to 9.2 per cent and the female rate to 4.1 per cent.

Ms Lorelei Hunt, a senior economic development officer at the borough council, says the high rates are due to two factors: the slump in construction work, and the decisions by the big financial services groups not to take on new staff.

She says: "For most of the 1980s Swindon was like one big building site. Now, if you walk around the town you would be pushed to find one crane operating.

"Once building activity picks up it will quickly make a hole in the unemployment figures."

As for female unemployment, the large financial services groups such as Allied Dunbar and Nationwide expanded constantly throughout the 1980s. Many of the people they took on were mothers returning to work, school-leavers, or even part-time employees.

The female unemployment figure therefore represents a new jobless pool that did not exist before the economic expansion of the 1980s.

It is not just the construction industry and the female workers joining dole queues for the first time that has swelled the numbers of people unemployed. Many manufacturing companies have slimmed down and shed workers.

Stewart Dalby

Where do we go from here ?

Swindon has experienced the largest growth of any town in Europe over the last decade. Its population is expected to reach 200,000 by the end of this century.

Its communications are unsurpassed - it is adjacent to junctions 15/16 of the M4 providing easy access to the national motorway network. London and Bristol are 50 minutes and 35 minutes away respectively by Intercity 125.

The surrounding catchment area offers a pleasant rural lifestyle, coupled with a wide range of schools and leisure pursuits. NEM House is a superb headquarters or administrative support facility in perhaps the most prominent position in the town opposite the mainline station.

Approximately 51,890 sq ft is available in this self contained five storey office building. Amenities include a full VAV air conditioning system supported by perimeter heating, two 12 person automatic lifts, underfloor trunking, full carpeting throughout, a fully fitted kitchen and restaurant facility, a 500 cwt goods lift and 20 parking spaces.

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Profile: HONDA

New stimulus for manufacturing


Engine tuning: the plant is tooling up for full motor car assembly

ANYONE who believes the closure of Swindon's railway workshops was the end of Swindon as a serious manufacturing centre needs to drive around the town's north-eastern bypass. There, dominating the skyline near the village of South Marston is the massive new factory of Honda of the UK Manufacturing (HUM), which is now tooling up for an expansion from engine production into full motor car assembly.

Far from having abandoned manufacturing, Swindon has become one of the key participants in the revival of the British motor industry being spearheaded by Japanese motor manufacturers.

Last November's announcement by Honda and the Rover Group that they were extending the joint manufacturing relationship which first began in 1979 into the 1990s was particularly good news for the town. It revealed that Honda had decided to produce a second model at Swindon. It also killed off any lingering speculation, in the wake of British Aerospace's reluctant takeover of the British car manufacturer and the more difficult market for motor manufacturers in Europe generally, that Honda might prefer to find a new, more successful partner in continental Europe.

That had always looked unlikely ever since, two years ago, HUM and Rover purchased 20 per cent in each other. Even so, Rover's body pressings plant at Swindon was very glad to have confirmation that it will continue as Honda's main European supplier of metal body panels.

By early 1995, Honda expects to be employing 2,000 workers, or 'associates' as the company prefers to call them

Honda's growth in Swindon has been rapid. Spurning the lure of development area grants and incentives, the Japanese motor manufacturer first established a presence near the town in 1985.

Like Toyota in Derby, Honda was evidently offered its present 380-acre site – complete with an old wartime airfield for test driving vehicles – at a price which it could not refuse. The local authority was instrumental in obtaining planning permission.

Plans for the engine plant were unveiled in 1987 and that project came on stream in 1989, producing 70,000 units in its first year. Today, the engine plant is producing at the rate of more than 100,000 1.6 litre double overhead cam engines a year, all of which go to Rover's Longbridge assembly plant for installation in Rover's 200 and 400 models and (some 40,000 of them) in the Honda Concerto. The Concerto is assembled by Rover at Longbridge for Honda under sub-contract.

The new Swindon assembly plant is due to come on stream this autumn, manufacturing "Synchro", the code name given to Honda's first range of UK-assembled 2-litre cars for the European market.

The initial output of Synchro is to be 50,000 units a year, increasing to 100,000 by the mid-1990s. Production of the second model, a successor to the Concerto, will begin in August 1994. By early 1995, when the assembly plant is due to move to full two-shift working, Honda expects to be employing 2,000 workers, or "associates" as the company prefers to call them.

This figure compares with a total of 753 "associates" employed on the Swindon site at present.

Even by Japanese standards, Honda is famous for the very strong emphasis which it places as a company on team work and respect for the individual, Mr Andrew Jones, the plant manager explains.

"Associates" are selected on the basis that they will work and develop together; have never worked in the motor industry before; and that they fully accept the participatory style of working for which Japanese-style manufacturing is famous.

With the exception of a few specialist senior engineers and computer personnel, Honda recruits all its staff locally and trains them in-house. Three of the departmental managers began their careers on the shop floor.

Mr Jones is proud of what has already been achieved. The productivity of the engine plant is high – 99.88 per cent of engines coming off the assembly line achieve right first time firing. More than 50 teams are working in Quality Circles on ideas which could make it even more productive. Other ideas, already implemented, have saved thousands of pounds annually.

"On July 1, 1990, I told staff I was cutting their working week from 39 to 37 hours – a reduction in productive time of 5.1 per cent. I asked them if they could return it in increased productivity – and they did," Mr Jones said.

Given this kind of performance, Honda in Swindon is on course to become a strong player in the European car market of the 1990s.

By all accounts car manufacturers in Germany, France and Italy are beginning to worry whether they will be able to compete with the lean production techniques of Japanese-owned motor manufacturing plants being established in the UK.

Honda looks well set to compete in other ways. Its location makes good sense in view of the relationship with Rover. It is only two miles from Rover's body and pressings plant in Swindon, 30 miles from Cowley, and 80 miles from Longbridge; and it is within easy reach of Heathrow. It is also close to the M4 and M5 and to the ports of Bristol for imports and Southampton for exports.

Robin Reeves

Profile: RAYCHEM

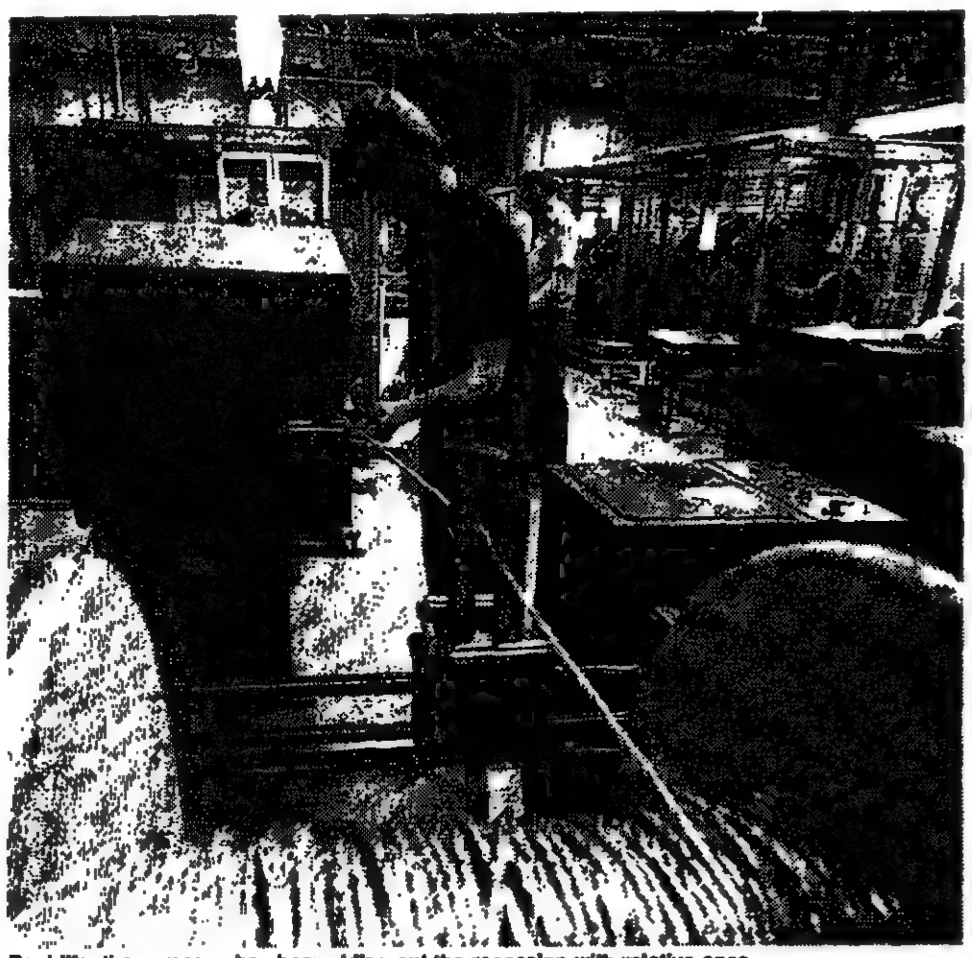
Peace pays a fair dividend

THE JOKE about defence-oriented companies facing the "threat of peace" began in the mid-1980s soon after the coming to power of Soviet President Gorbachev. But at the time, it was no laughing matter for one of Swindon's leading manufacturers, Raychem, a US-owned materials technology company, heavily dependent upon military procurement for much of its business.

Thanks to a sustained drive to find new markets and to reduce its costs base, Raychem recently turned the corner – its sales to the civilian market now exceed those to the military, demonstrating that there can be a peace dividend for defence industry companies.

The turnaround has been achieved with minimum jobs losses among employees. Some 70 out of 1,200 jobs in Swindon were cut two years ago and there were about 800 cutbacks worldwide out of a total workforce of 11,000, effected mainly via early retirement and voluntary redundancy. But otherwise, the company has been riding out the recession with relative ease, thanks to buoyant export markets which now account for 70 per cent of the company's sales.

Raychem's expertise is in materials science in general and radiated materials in particular. Many of its products are based on the discovery, made in the 1950s, that materials bombarded with radiation create links between the molecules which give it "elastic memory"; that is, the ability to return to the shape in which they were radiated when heated.


Reel life: the company has been riding out the recession with relative ease

Raychem was the first company to take a commercial interest in the phenomenon and has been running with it ever since producing a big range of products and applications which last year resulted in worldwide sales of $1.26bn.

Raychem in Swindon operates on two sites. One is dedicated to wire and cable and research and development for the company's five European manufacturing centres, and the other to Thermofit tubing, shrinkable tubing for wiring and environmental seals.

In seeking to develop civilian markets for its expertise, Swindon concentrated initially upon small-size, lightweight wire insulations for the aircraft manufacturing industry which, in turn, led to low fire hazard technology.

Many military applications can be switched. A tank harness (wiring system), for instance, can be adapted to a civilian aircraft. However, the specification for a harness for commercial use is very different from one for the military. "The thinner you can make the insulation, the better the aircraft engineer likes it," Mr Jim Webster, the divisional manager, explains.


Jim Webster: military applications are being switched

The demands of the civilian aerospace industry opened the way for orders for new wire and cabling products for the Channel Tunnel rail carriages and motor vehicle manufacturers. Raychem was recently awarded A grading by Renault and Citroën, a quality standard which covers all aspects of a company's operations and which will become a compulsory requirement for component suppliers to these French motor manufacturers from 1993.

Similar technology has been used to develop a wide range of environmental closures Raychem reckons to be the biggest single supplier in the world of cable accessories; its products have replaced solder, for example, in many cabling applications.

Environmental considerations have imposed themselves in the company's dealings with Volkswagen. The German motor manufacturer is interested in how environmentally-friendly a component will be, once it comes to the end of its useful life and has to be discarded.

However, successes would not have been possible had Raychem not also been addressing costs. In the manufacturing areas, the costs base has been reduced by 20 per cent, mainly by changes in the way things are done. The old hierarchical management structures have gone. In their place is a flattened management structure in which staff have been empowered and trained to work as a team. The net result is that the Swindon plant now produces more cable in two shifts than it used to produce in three.

Japanese-style Total Quality Management and Just-in-Time techniques have obviously played their part. So, too, has a big emphasis on quality improvement training and vocational education.

As a measure of its importance within the company, Raychem recently received a national award for a technical operator training scheme aimed at people on the shop floor who had learned everything and whom the senior management felt could do more. It has also just received another award for language training for its staff who between them put in a total of 3,500 hours of learning a year.

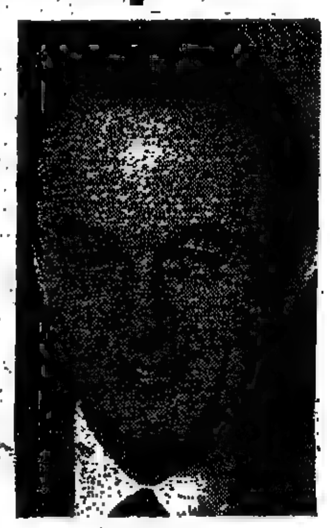
Raychem has also become a partner company in Warwick University's manufacturing faculty which involves 15 members of staff spending one week in six in Warwick training as project leaders. In short, for Raychem in Swindon, the end of the Cold War is already paying a handsome "peace dividend".

Robin Reeves

Profile: MOTOROLA

Nerve centre for advance into Europe

MOTOROLA, the US-owned electronics and telecommunications manufacturing group, has made Swindon the nerve centre of its drive to profit from the next advance in mobile communications. This, in essence, will make the mobile telephone internationally transportable. Calls on an international handset can be made anywhere in Europe and billed back home.


David Hughes: heading the charge into new technology

The mobile cellular communications systems established in many European countries during the 1980s – such as Cellnet in the UK – are based upon analogue radio technology for which different national standards operate. As a result, a cellular telephone from one country will not usually work in another.

But for the next generation of mobile telephones, most European countries have agreed a common standard based upon digital radio technology.

The new pan-European GSM (global system of mobile communications) standard, as well as allowing the user to roam abroad, also offers better speech quality and supports more subscribers for a given allocation of the radio spectrum.

Motorola in Swindon, led by Mr David Hughes, general manager Europe, is charged with carrying forward this new advance while also continuing to service the requirements of its analogue customer base. Swindon has overall management responsibility for developing the new GSM pan-European market and also manufactures the radio frequency base stations required to pick up the signal. More than £30m has been invested in the Swindon site for the project.

An interesting development also being master-minded from Swindon is Motorola's exploitation of the new markets in eastern Europe. Former Soviet bloc countries are still using landline copper wire telephone systems.

Motorola has been offering a number of these countries proven analogue radio technology as a rapid way of modernising their telecommunications at reasonable cost.

While it may make sense, on the face of it, to leapfrog and adopt the GSM standard straight away, the radio frequencies required are invariably held by the military. Also, for some of these countries, digital radio technology is still subject to Cold War trade restrictions.

Robin Reeves

Swindon is about to get a lot more National Power.

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Swindon has a large share of the UK's distribution business

High on the mailing list

THE Post Office's bulk handling centre in Swindon deals with between 3m and 6.5m items each week or an average of more than 230m items a year, one of the highest throughputs of any bulk mail office in Europe.

This is the measure of Swindon's big share in the growing business of direct mail order marketing and distribution.

Well-known local companies which are heavy users of the bulk distribution service include *Reader's Digest*, W H Smith – the headquarters of the company's retail operations are located in the town – and a number of book clubs.

But the company responsible perhaps more than any other for the development of Swindon as a bulk distribution centre is the Ralton Group, one of the UK's top five companies specialising in direct mail marketing. Soon after Ralton's relocation to Swindon from London in the late 1970s, the Post Office decided it had no option but to establish a bulk handling depot nearby to handle the volume of business.

Every year, the overwhelming majority of the UK's 23m households are sent a TV licence demand and many of them also have to be sent a reminder. Some 2.3m shareholders in British Gas must be sent copies of the annual report and accounts to arrive on a date which complies with stock exchange rules.

These are just two routine items of business for Ralton. With a core staff of 150, and another 100 casuals who can be called upon if required, Ralton has built up its business to the point where it inserts more than 150m items into paper or polythene envelopes every year and has the biggest polythene wrap mail operation in the country.

Ralton's operation is multi-

Ralton Group is one of the UK's top five companies specialising in direct mail marketing

faceted. It is geared to handle everything from the simple insertion of a brochure into a Sunday newspaper colour magazine, to a complicated mail out, and running a complete direct marketing campaign. Individual clients pick and mix to the precise service they require, though, in practice, the minimum mail-out tends to be 50,000 envelopes. Below that figure Ralton's service ceases to be cost effective.

The privatisation boom of the 1980s has been particularly beneficial to the company's growth, enabling Ralton to make the most of its long experience of handling the distribution of company reports and accounts. Mr James Arrowsmith, sales and marketing director of Ralton, reckons the group handles around 25 per cent of the report and account mailings of PLCs which have more than 50,000 shareholders.

Stemming from its direct mailing experience, the group also knows a considerable amount about list management and list broking for business-to-business and consumer direct mailings.

Targeting potential customers using direct mail techniques is becoming a very sophisticated business, though. Mr Arrowsmith stresses, there is still plenty of scope for development, bearing in mind US experience.

The average US household receives 205 direct mail shots annually.

The comparable figure for Europe is 46 direct mailings a year, an average which Ralton is hoping to increase greatly by a collaborative link-up which it recently organised with comparable direct mail companies on the Continent.

Euro Net, as it is called, links up independent direct marketing companies in the main European Community member countries plus Norway, Sweden and Switzerland and offers companies or organisations the opportunity to run pan-European campaigns, yet deal with a single organisation.

However, Ralton sees as the most important area of growth in the 1990s, the development of the group's telemarketing and product fulfilment services.

An ever-increasing number of companies are turning to direct response advertising in newspapers and on television as the most cost-effective way of reaching their potential customers. Ralton is geared to handle all aspects of this business, from dealing with the telephone responses stemming from TV, radio and press campaigns, market research, the generation of sales leads, the building and refining of mailing lists, and sales promotion services.

On the fulfilment side, it is not only geared to accepting and collating orders for that holiday brochure or special coffee jug offer, but to dispatching the orders as well.

Because of its confidence in the growth in this side of its business, Ralton has installed a new telephone system in its telemarketing department which allows each telephone number to receive 30 incoming calls at a time.

Mr Arrowsmith explains why. "More and more companies are starting to use direct response advertising. In five years time I am confident our Telemarketing Division will be employing a staff of 100 which compares with 20 staff at present."

Picture: Tony Andrews

Booked up: headquarters for W H Smith's retail operations

The Post Office, too, is gearing up for increased business. The bulk handling centre in Swindon has been put under the control of Royal Mail Streamline, a new subsidiary of the Royal Mail with 16 offices around the UK and its own independent distribution network to compete against the likes of Federal Express and TNT and avoid the normal Royal Mail network becoming overloaded.

Bulk service users have the option of either delivering their mail already sorted and stamped or using what the Post Office describes as its deferred service, available at a discount.

Mr John Bridgeman, the service liaison manager, explains: "The customer delivers his mail early and gives us a target delivery date. We then prepare the mail for dispatch during quiet periods. By using our staff in this way, we are able to even out the peaks and troughs in delivery."

Natural Environmental Research Council

Down to earth study

LAST week's announcement that the ozone layer above northern Europe shrank by 20 per cent in the first two months of the year was a tribute to the international co-operation of 300 scientists working in 17 different countries.

The scientists, members of European Arctic Stratospheric Ozone Experiment (Easoe), established that conditions over the north Atlantic, Europe and New England were so bad in early February, ozone was possibly being lost at the rate of 1 per cent a day. One calculation suggests that for every 1 per cent drop in the ozone screen, there could be a 2 per cent increase in non-melanoma skins cancers, adding an extra £7m in treatment costs to the NHS in Britain.

The experiment was also a tribute to the research policy of the Swindon-based Natural Environmental Research Council (NERC), whose research institute, the British Antarctic Survey, co-ordinated the investigation in conjunction with the US space agency NASA. The discovery by NERC's scientists of the ozone hole above the Antarctic in 1985 led to the Montreal Protocol of 1989 on phasing out CFCs.

NERC is one of five research councils funded by the Department of Education and Science. With a budget this year of £170m and a staff of 2,600 employed in 16 institutes and research units across the UK, it is charged with the basic task of discovering how the earth's environment, which is now known to be a network of interlocking natural systems, works.

Other projects include the construction of a new £40 Oceanographic Centre at Southampton, and a new Geosciences Centre at Keyworth, near Nottingham.

Its marine scientists have just completed an ambitious survey of the North Sea, with a view to constructing a model of how its water quality changes with the seasons. This has important political and economic implications. The EC is planning to ban this dumping before the end of the decade. The government believes it may be possible to dump sewage sludge in the right place and the right time without doing environmental damage.

It is also investigating changing land use in Britain using satellite sensing, land classification and on-the-ground sampling. This has already established for example that some 25,000 miles of hedgerow disappeared between 1978 and 1984. By comparing these figures with changes in flora and fauna population changes, it is hoped to obtain a total picture of the ecosystem.

NERC's work on analysing the biological rather than the chemical constituents of water has already yielded a very valuable method of monitoring water quality. A diagnostic computer programme, Rivpacs, designed for use by water authorities, analyses the biological community which lives in the water from which it is able to measure the levels of nitrates and cocktail effects of impurities.

Rivpacs is just one example of NERC's increasing involvement in finding practical answers to environmental problems. A quarter of NERC's income now comes from research commissioned by a variety of public bodies and industrial sectors in the UK and abroad. In the years ahead, it is clearly set to grow.

The town is seeking ways to encourage tourism

First stop in the West

LIKE MANY towns of comparable size and importance, Swindon has begun to seek ways of encouraging tourism.

Several schemes are afoot. The local authority, Thamesdown Borough Council, has joined forces with other Wiltshire councils to implement a £300,000 Tourism Development Action Programme over three years. It has just agreed a new corporate image, "Swindon – First Stop in the West Country", and is about to fund a hotels' study over the next few months to see what can be done to improve occupancy.

In practice, Swindon is not doing badly in the tourism market. Recently published figures, covering spending in 1990, indicated that it accounted for some £330m or 18 per cent of tourism in the West Country and Wiltshire.

Even so, the council believes there is scope for improvement. "We don't expect people to come to Swindon for a fortnight's holiday. But we have a good hotels' infrastructure and we think more people can be persuaded to stop on their way to and from the West Country and visit attractions in the vicinity," explains Mr Keith Duesbury, Swindon economic development manager with special responsibility for tourism.

The town also recognises that it must have good attractions and that one tourism asset which it is not yet exploiting to the full is its unique railway heritage.

There is a museum celebrating Swindon's historic role as the "Great Western Railway town", set in the heart of Brunel's railway village, itself a fine example of model housing from the Victorian era.

The local authority recently started advertising the museum and as a result it attracts some 40,000 visitors a year. But the council would like to make far more of its fame as a railway town and create a more extensive attraction in collaboration with Tarmac, owners and developers of the Brel railway workshops site. Hitherto, it has not had the financial resources to do so.

On the other hand, Swindon recently received confirmation of some news of a development which will make the town, in some ways, heritage capital of England. The Royal Commission on the Historic Monuments of England (RCHME) announced in February it had reached agreement with Tarmac to relocate its headquarters and archive records from London to Churchward, the former British engineering works site. RCHME will occupy a 19th and 20th century grade II listed building known as "The Chief Mechanical Engineer's Office" and also build alongside an environmentally-controlled archive store containing a unique record of all the available evidence of England's past, from pre-history top modern times.

The RCHME was established in 1908. Its central role is to maintain a record of England's heritage by identifying all "historic constructions" and ensuring there is an adequate inventory and record of what survives.

Half its 200 staff are occupied with recording evidence on the ground, the other half on building up its archive and increasingly sophisticated data base.

RCHME maintains the National Buildings Record, a National Archaeological Record and a National Library of Air Photographs. The Air Photography Unit, headed by Dr Rowan Whimster, has already moved to temporary accommodation in Swindon as an advanced guard for the main move in 1994.

Aerial photography is still a rich source of archaeological discoveries – an exceptionally dry summer will make visible as many as 1,000 previously invisible archaeological remains, ranging from a barrow to a large neolithic village.

The unit also has responsibility for more than 3m aerial photographs of England dating back to 1947-48 when the Royal Air Force was given the job of systematically photographing the whole of Britain from the air for the first time. The Ordnance Survey subsequently used this survey to produce 6 inches-to-the-mile scale maps of Britain.

Picture: Tony Andrews

Railway museum: polishing its image to attract visitors

Between them, RCHME's records provide a gazetteer of all identified sites of historic interest in England and an archive of plans, drawings, and photographs to support them. This unique national collection will be housed in the new archive store to be built at Churchward. Its design will be, to say the least, unusual.

Internally, to guard against risks of accidental damage, it will have no water pipes or electricity cables. It will also be divided into sections with different temperature and humidity environments to suit the particular material being stored, and each section will have its own fire break.

Externally, the store presents an architectural challenge. The RCHME is anxious not to produce a pastiche but a modern building which fits harmoniously into the surroundings. That said, however it can have no windows.

How big a tourist attraction might the new RCHME facility become? Visitors to the RCHME's present archives total fewer than 10,000 a year. The organisation is also experimenting with a prototype computer imaging system which could provide users with the ability to tap into the archive data base from afar. And obviously there is a physical limit to the number of visitors using an archive store.

On the other hand, Dr Whimster stresses, the organisation does want to increase public usage. To this end it has just appointed a director of marketing to develop new services and products and to ensure this unique English national resource is used more frequently and efficiently.

Robin Reeves

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Vickers Properties Design and Build site at South Marston Park is proving extremely attractive to major international businesses.

Pentel Pens are moving in to their new 50,000 sq ft office and warehouse headquarters.

They are soon to be joined by South Marston DC Ltd, suppliers to Honda who will occupy a 115,000 sq ft distribution warehouse designed for them by Vickers and which is currently under construction.

For more information on the remaining available sites contact David Spencer at

JP Sturge
0793 533155

建築とデザイン

We've moved our Swindon offices to a vastly improved location. Swindon.

Nationwide's new Swindon offices at The Croft.

We're sorry to say that Nationwide is moving out of its old Swindon offices. But we're more than happy to say that we're moving into our new Swindon offices. They're situated at The Croft, a 24 acre site that's been specially landscaped and planted with 70,000 new trees and shrubs. The building features the latest energy saving systems and state of the art computer facilities and comfortably houses 2,000 employees. So we should be every bit as happy in Swindon as we were in Swindon.

Nationwide

COMMODITIES AND AGRICULTURE

Anglo American announces £280m gold mine project

By Philip Gawith in Johannesburg

THE SOUTH African gold mining industry yesterday received a welcome fillip with the announcement that the Anglo American Corporation is to develop a R1.7bn (£280m) mine near Orkney in the Western Transvaal.

The announcement comes against the background of an industry whose profit margins have been slashed in recent years by the combination of continuing double digit cost inflation and stagnant gold revenues in rand terms. In addition the March quarterly results indicate that the closure of two mines – West Rand Consolidated and Loraine – is likely in the near future.

Mr Clem Sunter, chairman of Anglo's gold and uranium division captured the mood when he commented: "We would like to provide some good news. We hope this will be the turning point in the South African economy".

The new mine is not a stand-alone project, but an extension to the Vaal Reefs mine. The development of the Moab lease area – south-east of the existing south lease area – will become the No. 11 shaft at Vaal Reefs. A new company, Eastvaal Gold Holdings, will be formed to develop the mine and will ultimately be listed. Vaal Reefs, with a market capitalisation of about R3.6bn, is South Africa's second richest mine.

It is the first new development of a listed gold mine by Anglo since it opened Elandsrand in the mid-1970s. It has subsequently opened some very large new shafts, such as Freddies No. 1 last year and the No. 10 shaft at Vaal Reefs, but none have involved opening up new lease areas. The last new gold mines to be opened in South Africa were Joel and Oryx, both of which have had slightly chequered careers.

Gold production will begin in 1997 and at full production the mine should produce about 13 tonnes of gold per annum, making it a medium-sized operation by South African standards. Over the 25-year life-span of the project available reserves from the Moab area will provide some 28m tonnes of ore for milling at an estimated recovery grade of 11 grams a tonne. Although this makes it a high grade mine, Mr Sunter describes it as a "tricky deposit", with parts of the ore body highly faulted. It is also extremely deep: a main shaft will descend to about 2.5 km (1.5 miles) underground, while two sub-shafts will go to 3.7 km.

Mr Sunter said the new project had been approached with "Japanese logic": instead of working out the capital expenditure of the project and then having the rate of return determined by the level of the gold price, the company had started with the current gold price, established a desired rate of return, and then worked out what capital expenditure could be afforded. He said that mine management had come up with lot of creative effort, which had allowed the original capital cost to nearly be halved.

Mr Sunter added: "It is a decent project at the current gold price, and we actually feel we're at the bottom of the market". He is predicting that an upturn in world economies will be accompanied by an increase in gold jewellery offtake and hence a tightening in demand and a rise in price.

Bolivia prepares mining industry for reincarnation

A wave of foreign investor interest is raising hopes for the sector's recovery, writes John Barham

BOLIVIA, LEFT for dead by the world mining industry when the bottom fell out of the tin market during the 1980s, may yet see the resurgence of its once flourishing mining sector. Excited mining analysts and businessmen claim the country is on the threshold of a boom the like of which it has not seen since the days of the tin barons of the 19th century.

A timely combination of new pro-business legislation and important discoveries have attracted a swarm of international mining groups. Mr Scotty Bruce, a mining consultant in La Paz, says: "Out of 37 companies that have recently come to Bolivia to look around, 21 have registered [with the government] and have begun exploring". Most of the companies are searching for gold, silver and zinc.

Mr Bruce expects mining investment to rise to $120m this year. That may be small change in the international mining game, but it is three times the 1991 level. He believes that Bolivia "can double export sales in the next five years, from $400m now".

In fact, the mining boom has been in gestation for some time. Inti Raymi, a US-owned mining company, was set up seven years ago to develop gold deposits around the Andean town of Oruro. It invested $17m to create Bolivia's first open pit mine, marking an important shift in mining technologies. Until then, Bolivian mining was limited to working narrow, dangerous and labour-intensive underground veins.

Inti Raymi now produces 50,000 troy ounces of gold and 350,000 ounces of silver annually – all of which is exported. In 1991 it reported sales of $18m and net profit of $2.7m.

It is expanding the mine at a cost of $160m, in one of the largest private investment projects ever undertaken in Bolivia. Mr Alvaro Ugalde Canedo, Inti Raymi's general manager, says the expansion is well ahead of schedule and should raise gold output to 240,000 ounces a year in 1993. The company is 85 per cent-owned by Texas-based Battle Mountain Gold Company and financed 63 per cent of the project with multilateral loans and the rest with equity capital.

In another major advance, after years of negotiation, Bolivia has allowed Lithium Corporation of the US to work a vast salt lake close to Oruro. It awarded Lithco a 40-year concession to produce potassium, strontium and boron at Salar de Uyuni, originally designated a national mineral reserve and off-limits to private foreign companies.

But it was last year's approval of new mining legislation and foreign investment regulations that put Bolivia back on the world mining map. Bolivia treats local and foreign capital equally and has established what is said to be the most pro-business tax regime in South America. Congress also eased a constitutional ban on mining by foreign-owned companies in border regions.

One of Bolivia's most powerful attractions may be the fact that it has never been thoroughly surveyed. Newly-arrived companies are particularly active in the little-explored eastern lowlands. The discovery seven months ago of a major copper deposit known as Don Mario confirmed earlier suspicions that the east was rich in minerals.

That followed the discovery in 1989 of similar deposits in the region by Comsur, a company part-owned by RTZ of Britain. Inconclusive studies in the region by the British Geological Survey between 1976 and 1984 are now being re-evaluated in the light of these discoveries. However, more work is needed before the lowlands can be proclaimed a Bolivian El Dorado.

Not all the action is in the east. After nationalising most of the mining industry in 1952, the government made no great effort to explore the Andean region or modernise technology; and private companies are now looking closely at the Andes. The western cordillera is particularly attractive because it abuts Chile's exhaustively surveyed Andes. Veins known to continue over the border into Bolivia may now be brought into operation.

Also, Comibol, the moribund state mining corporation, is seeking joint venture partners to take over management of its virtually exhausted mines. Several companies have signed contracts, among them Paranapanema of Brazil, whose discovery of huge tin deposits in the Amazon helped to destroy Bolivia's tin industry.

The government is privatising one of Comibol's few promising properties. Comsur outbid competitors for the high grade silver and zinc Bolivar mine. But negotiations to transfer control are bogged down in political intrigue. Comsur is owned by the Sanchez de Lozada family, which also dominates the largest opposition party.

However, mining in Bolivia will always be an uphill struggle, despite its promising geology, cheap labour and attractive investment environment. Labour accounts for only about 10 per cent of a project's costs. But equipment and chemicals have to be imported.

To be competitive, Bolivia must achieve economies of scale, use expensive modern technologies and keep exploring to add reserves. That is not easy, especially with low world prices. As a landlocked country with difficult topography and a hopelessly inadequate transport infrastructure, shipping minerals to port is a heavy additional cost.

And Bolivia is far from attaining political and economic stability. It adopted rigidly orthodox economic policies in 1985 to cope with hyper-inflation of 24,000 per cent a year, but has never achieved high growth. Discontent is growing and there is a risk of an anti-business, anti-multinational backlash in next year's presidential election campaign.

Companies therefore seek correspondingly high rates of return. But the first phase of Inti Raymi's Oruro mine provided a rate of return of only 17 per cent, far short of an ideal rate of 25-30 per cent. The new phase, using state of the art carbon in leach processes, should boost to only 22-24 per cent.

Still, businessmen say, more in hope than with great conviction, that the next government's hands will be tied by the country's critical financial constraints. Said a Comsur executive: "Bolivia has a very narrow path to tread, determined by economic realities. There is not much room for populism".

The 1985 tin price collapse made many miners redundant. Some formed co-operatives to keep their mines going.

Supply fears buoy sugar prices

By David Blackwell

FEARS OF a tighter sugar supply/demand balance in 1992-93 are supporting the world market, according to reports from two London trade houses.

Raw sugar prices have recently touched eight-month highs, nudging 10 cents a lb in the New York market, on fears of tight nearby supplies following damage to the South African crop because of drought.

The trade houses, E.D. & F. Man and Czarnikow, both point out in reports published today that in the short term the changing export potential in several countries will keep the lid on prices. The increasing likelihood of a 1m-tonne increase in Thailand's crop, compared with the previous season, together with the availability of exportable surpluses from India and Cuba, should "keep significant advances at bay", Man's latest sugar report says.

Man believes that reports of a catastrophic Cuban crop this season at 5m to 5.5m tonnes are unsupported by the evidence and estimates that the crop will come in at about 6.5m tonnes. It is forecasting a crop of more than 5m tonnes in Thailand and 12.6m tonnes in India.

The overall balance for the 1991-92 season remains marginally in surplus, Man says, but it suggests that the situation is likely to be even more tightly balanced in 1992-93.

Czarnikow's sugar review points out that the extent of the South African drought has raised questions about the timing and coverage of the El Niño weather phenomenon.

"Already a major drought is developing in Thailand which, if relief does not arrive this month, could have serious implications for the next crop," the Czarnikow review says. "If this is part of a regional phenomenon there might be problems later in the year with the monsoon in India and this will need to be monitored carefully."

Danes plan Australian pig meat plant

By Hilary Barnes in Copenhagen

THE DANISH pig meat industry is to invest A$80m to set up an advanced pig meat processing plant in Scone, New South Wales, Australia, it was announced here yesterday. The plant will be set up in a joint venture between the Danish interests and the Australian pig meat producers, Brown & Hatton.

The Danish partner is Danpork, a consortium of leading Danish pig meat interests, including meat processors Tulip International and Steff Houlberg, the ESS Food meat trading organisation and institutional investors.

The Scone plant will be able to process 300,000 pigs a year initially, rising to 800,000 after eight years.

The pig meat will be sold both domestically and in Asian markets.

Denmark is the world's leading exporter of pig meat products both to European markets and to Asian countries.

Danpork was set up in 1990 with a view to utilising Danish expertise and equipment to establish pig production and meat processing plants abroad.

Other projects are under consideration in Hungary, Poland, Malaysia, Korea and Singapore.

Palm oil price downturn forecast

MALAYSIAN PALM oil output is gradually rising after a seasonal downturn and traders say this could reverse the strong price uptrend as stocks, now the lowest in three years, are also likely to build up again, reports Reuter from Kuala Lumpur.

"We expect the market to hit a downturn in the coming months," said one trader. "Forward months are already trading at a discount and we expect strong selling at above M$900 (£200) a tonne."

Palm oil prices eased in afternoon trade yesterday on news that Malaysia end-March palm oil stocks were higher than expected. The Palm Oil Registration and Licensing Authority put them at 483,744 tonnes, down 4.66 per cent from the end of February, but that was higher than an earlier trade estimate of 450,000-460,000 tonnes.

"There was active producer selling following the PORLA news," one broker said. The July contract on the local palm oil futures was hovering at M$892 a tonne, down from a previous close of M$901 a tonne.

Palm oil output in Malaysia, the world's biggest producer, rose to 441,390 tonnes in March from 382,860 tonnes in the previous month, the authority said. Traders said output could rise to 560,000 tonnes by June.

Production is likely to peak in October or November before a seasonal downtrend sets in again.

Analysts and traders said local palm oil reserves could also rise to 570,000 tonnes by June and 800,000 tonnes by September unless demand picked up sharply. "We see stocks going up steadily in May, June and July," said a trader with a European firm. "Again, it depends on the export side, both by Malaysia and Indonesia."

Palm oil futures had surged to M$944 a tonne on March 20, the highest since May 1989, on supply tightness.

Traders said the July contract could find support at M$880 a tonne.

Worried fishermen call summit over prawn glut

By Christopher Parkes in Bonn

GERMAN, DUTCH and Danish fishermen have called a summit meeting next month to discuss ways of coping with a glut of North Sea prawns piled up in cold stores.

Good fishing and breeding conditions have led to the build-up of more than 2,500 tonnes of prawns in the three countries, according to Mr Hermann Kock, president of the Schleswig-Holstein prawn fishers' association.

"Wholesalers are not prepared to take any more," he said yesterday. Prices have fallen to about DM2.40 (83p) a kilogram.

His members, who between them operate 120 vessels, have already stopped fishing at weekends and are reducing their weekly catch by up to 50 tonnes.

They are also planning to make long-term cuts and to switch some of their fishing effort to catching sole.

The size of their boats and the unpredictability of the North Sea weather confines the fleet to shallow, inshore fisheries.

The crisis meeting will be held on May 8 on the Danish island of Römö.

WORLD COMMODITIES PRICES

MARKET REPORT

May SILVER futures fell below critical support at $4 a troy ounce on Comex in hectic afternoon trading yesterday, depressing the precious metals complex across the board. "No one wants to buy it," said one floor analyst, while another predicted $3.50 would be hit in the short term. Perceptions of more than adequate supply and lessening demand weighed on sentiment after early selling by two big funds in Chicago. GOLD, which eased further on the London bullion market, was setting life-of-contract lows on Comex, also in hectic trading. London dealers said the failure to break above $340 a troy ounce had turned sentiment bearish. On the LME COPPER prices bounced off lows, three-month metal regaining the $2,200 a tonne level. Sentiment was helped by news that Chile's El Teniente mine is closing its sub-level six until 1993 because of rock falls, although Codelco said overall mine production should not be affected. New York arabica COFFEE futures were sharply down at midsession after a rise in warehouse stocks. "This market just has no conviction to the upside," said one analyst, predicting a fall below 64 cents for the May contract.

Compiled from Reuters

London Markets

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	$16.15-.25	-0.30
Brent Blend (dated)	$18.55-.60	-0.35
Brent Blend (Jun)	$18.50-.55	-0.325
W.T.I. (1 pm est)	$19.85-90z	-0.45

Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$205-208	-2.5
Gas Oil	$175-176	-2
Heavy Fuel Oil	$70-72	-1
Naphtha	$179-181	-1
Petroleum Argus Estimates		

Other		+ or -
Gold (per troy oz)♣	$337.8	-1.8
Silver (per troy oz)♣	406c	-6.0
Platinum (per troy oz)	$346.10	+1.85
Palladium (per troy oz)	$84.00	+0.25
Copper (US Producer)	103.21	-0.03
Lead (US Producer)	37.38c	
Tin (Kuala Lumpur market)	14.54r	-0.08
Tin (New York)	271.50	
Zinc (US Prime Western)	62.0c	
Cattle (live weight)†	109.55p	-0.33*
Sheep (live weight)†♠	88.11p	-10.9*
Pigs (live weight)†	100.98p	-2.68*
London daily sugar (raw)	$238.0y	-6.8
London daily sugar (white)	$275.0y	-1.0
Tate and Lyle export price	£242.5	-4.0
Barley (English feed)	£119.0w	
Maize (US No. 3 yellow)	£148.0w	
Wheat (US Dark Northern)	£120.0w	
Rubber (May)♥	54.25p	+0.25
Rubber (Jun)♥	54.50p	+0.25
Rubber (KL RSS No 1 May)	217.5	-0.5
Coconut oil (Philippines)§	$68.0t	-5.0
Palm Oil (Malaysian)§	$412.5z	+2.5
Copra (Philippines)§	$430.0w	
Soyabeans (US)	£147.5t	
Cotton "A" index	57.90c	
Wooltops (64s Super)	448p	

£ a tonne unless otherwise stated. p-pence/kg c-cents/lb. r-ringgit/kg. t-May/Jun y-Apr/May w-Apr z-May †Meat Commission average fatstock prices * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg. ♠Sheep prices are now live weight prices.

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low
May	211.00	211.00	212.40 207.00
Aug	208.00	205.40	203.00 202.00
Oct	198.00	194.60	195.20 192.60
White	**Close**	**Previous**	**High/Low**
May	275.50	275.30	275.80 269.10
Aug	272.00	272.30	272.50 269.50
Oct	266.00	265.30	265.00 262.50
May	273.00		269.00 267.00

Turnover: Raw 497 (426) lots of 50 tonnes. White 1547 (1201)
Paris- White (FFr per tonne): May 1539.02 Aug 1548.83

CRUDE OIL – IPE $/barrel

	Latest	Previous	High/Low
May	18.62	18.59	18.75 18.57
Jun	18.58	18.55	18.74 18.45
Jul	18.56	18.56	18.67 18.41
Aug	18.42	18.56	18.56 18.40
Sep	18.40	18.47	18.47 18.40
IPE index	18.83	18.83	18.90 18.65

Turnover 32,636 (43,108)

GAS OIL – IPE $/tonne

	Close	Previous	High/Low
May	171.75	173.50	172.50 170.75
Jun	171.25	173.50	172.50 171.25
Jul	171.50	172.75	172.75 171.50
Aug	173.50	175.00	174.00 173.25
Sep	175.00	176.75	176.00 174.50
Oct	177.00	178.75	177.25 175.50
Jan	180.00		180.00 179.75

Turnover 8,247 (11,178) lots of 100 tonnes

WOOL

There are no auctions during the Easter recess and overseas wool prices were firm or slightly dearer before the holiday took effect. The tendency was not pronounced enough to bring in any urgent buying, however, and dull and featureless trading is considered probable for the rest of this month. Beyond that there is cautious confidence in firm wool values, but it is recognised that 4 million bales of Australian stockpile wool still overhang the market and that buying by the former Soviet Union areas will not put pressure on supplies. Wool production forecasts meanwhile indicate a continuing decline.

COCOA – London FOX £/tonne

	Close	Previous	High/Low
May	613	611	624 610
Jul	636	640	640 637
Sep	664	667	672 663
Dec	699	702	705 697
Mar	734	736	739 733
May	755	757	760 755
Jul	775		780 774
Sep	797		800 796
Dec	823		824 821
Mar	850		850

Turnover 5522 (4365) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Apr 14 765.19 (761.02) 10 day average for Apr.15 760.87 (762.09)

COFFEE – London FOX $/tonne

	Close	Previous	High/Low
May	799	798	810 797
Jul	820	819	833 817
Sep	839	839	850 838
Nov	861	858	868 862
Jan	880	878	[illegible] 881
Mar	898	896	905 902
May	920	917	922

Turnover: 3109 (3798) lots of 5 tonnes
ICO indicator prices (US cents per pound) for Apr.14: Comp. daily 53.54 (53.63) 15 day average 55.63 (56.14)

POTATOES – London FOX £/tonne

	Close	Previous	High/Low
May	120.0	119.4	119.8 118.0
Apr	123.0		123.0 122.5

Turnover 26 (112) lots of 20 tonnes.

SOYAMEAL – London FOX £/tonne

	Close	Previous	High/Low
Jun	119.50		119.50
Aug	121.00	121.00	121.00

Turnover 75 (35) lots of 20 tonnes.

FREIGHT – London FOX $10/index point

	Close	Previous	High/Low
Apr	1192	1195	1198 1190
May	1165	1160	1165 1165
Jun	1080	1070	1085 1088
Jul	1060	1054	1063 1050
Oct	1165	1177	1180 1180
Jan	1230	1225	1230
BFI	1169	1153	1169

Turnover 146 (262)

GRAINS – London FOX £/tonne

Wheat	Close	Previous	High/Low
May	122.85	122.30	122.95 122.75
Jun	124.80	124.10	124.80 124.50
Nov	115.00	114.85	115.00 114.85
Jan	118.85	118.70	118.85 118.80
May	125.00		125.00
Barley	**Close**	**Previous**	**High/Low**
May	114.75	114.65	114.75 114.50

Turnover: Wheat 241 (375), Barley 23 (21).
Turnover lots of 100 Tonnes.

PIGS – London FOX (Cash Settlement) p/kg

	Close	Previous	High/Low
Jun	118.0	118.0	118.5 118.0
Jul	113.0	112.0	112.5 111.5
Aug	107.0		106.5 106.5
Sep	107.5		107.7 107.5
Oct	108.0		107.5 107.5
Nov	107.5		108.0 107.0

Turnover: 16 (14) lots of 3,250 kg

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)					Total daily turnover 39,347 lots	
Cash	1329.5-30.5	1336.5-9.5	1327/1327	1328-7		
3 months	1355-6	1365-6	[illegible]	1351-2	1357-8	176,533 Lots
Copper, Grade A (£ per tonne)					Total daily turnover 20,380 lots	
Cash	1247.5-8.5	1241.5-2.5	1242/1242	1241.5-2.0		
3 months	1277.5-8.0	1272-3	1283/1272	1272-2.5	1283-4	107,418 lots
Lead (£ per tonne)					Total daily turnover 1,461 lots	
Cash	297.5-8.5	300.5-1.5		298.5-9.0		
3 months	310.5-1.0	313-3.5	313.5/311.5	311.5-1.75	313-3.5	17,015 lots
Nickel ($ per tonne)					Total daily turnover 5,336 lots	
Cash	7320-30	7370-80	7387/7387	7387-90		
3 months	7460-5	7460-5	7500/7450	7475-80	7495-500	39,840 lots
Tin ($ per tonne)					Total daily turnover 1,957 lots	
Cash	5790-800	5820-30	5792/5790	5790-2		
3 months	5800-10	5830-5	5845/5790	5800-5	5845-50	6,985 lots
Zinc, Special High Grade ($ per tonne)					Total daily turnover 15,525 lots	
Cash	1292-4	1300-2		1296-7		
3 months	1274-5	1290-1	1293/1275	1281-1.5	1278-9	53,159 lots

LME Closing £/$ rate:
SPOT: 1.7580 3 months: 1.7306 6 months: 1.7047 9 months: [illegible]

LONDON BULLION MARKET
(Prices supplied by N M Rothschild)

Gold (fine oz)	$ price	£ equivalent
Close	338.70-338.10	
Opening	339.50-339.80	
Morning fix	337.60	192.528
Afternoon fix	339.95	191.953
Day's high	339.80-340.20	
Day's low	336.10-336.50	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	3.28	6 months	3.29
2 months	3.29	12 months	3.36
3 months	3.29		

Silver fix	p/fine oz	US cts equiv
Spot	232.45	410.25
3 months	236.30	414.20
6 months	244.40	418.60
12 months	255.65	428.35

GOLD COINS
(Prices supplied by Engelhard Metals)

	$ price	£ equivalent
Krugerrand	339.00-340.60	192.00-192.50
Maple leaf	351.00-352.00	199.00-199.50
New Sovereign	83.00-84.00	47.00-47.50

TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	May	Jun	May	Jun
1200	14	64	5	13
1300	4	15	61	64
1400	3	3	156	150
Copper (Grade A)	**Calls**		**Puts**	
2150	60	76	3	7
2250	5	17	48	47
2350	3	3	142	130
Coffee	**May**	**Jul**	**May**	**Jul**
750	48	78		6
800	3	43	5	23
850		22	52	52
Cocoa	**May**	**Jul**	**May**	**Jul**
600	13	47		9
625		31	12	18
650		10	37	31
Brent Crude	**Jun**	**Jul**	**Jun**	**Jul**
1850	40	55	40	84
1900		40	90	
1950	15			

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Apr	336.0	338.5	340.0	336.2
May	336.2	338.9	0	0
Jun	337.0	340.8	341.4	[illegible]
Aug	338.9	342.7	343.0	339.0
Oct	340.8	344.8	345.0	340.5
Dec	342.9	346.7	346.2	342.2
Feb	345.2	349.0	348.3	345.0
Apr	347.5	351.3	349.6	348.5
Jun	350.0	353.8	349.7	349.7

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Apr	343.3	346.2	349.0	344.5
Jul	344.3	347.8	348.8	343.8
Oct	348.1	351.4	349.0	347.5
Jan	349.2	351.5	350.0	348.5
Apr	349.7	353.0	0	0

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
Apr	400.8	410.1	402.0	402.0
May	401.3	410.8	412.0	[illegible]
Jun	402.9	412.4	0	0
Jul	404.4	413.8	415.0	[illegible]
Sep	407.6	417.3	416.5	408.5
Dec	412.7	422.2	422.0	411.0
Jan	414.4	423.9	0	0
Mar	418.1	427.6	426.0	418.5
May	421.9	431.4	0	0
Jul	425.8	435.3	0	0

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Apr	99.55	99.10	[illegible]	99.00
May	99.55	99.40	100.00	98.90
Jun	99.70	99.55	99.80	98.40
Jul	99.95	99.85	100.45	98.45
Aug	100.05	99.95	100.40	100.40
Sep	100.20	100.05	100.45	[illegible]
Oct	100.25	100.10	0	0
Nov	100.30	100.10	0	0
Dec	100.35	100.15	100.60	99.70
Jan	100.25	100.05	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
May	9.47	9.43	9.64	9.32
Jul	9.25	9.21	9.35	9.10
Oct	8.79	8.71	8.84	8.64
Mar	8.77	8.65	8.79	8.61
May	8.75	8.62	8.75	8.70
Jul	8.79	8.66	8.72	8.70

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
May	19.87	19.86	19.96	19.66
Jun	19.96	19.92	20.04	19.75
Jul	20.02	19.93	20.07	19.83
Aug	20.00	19.90	20.03	19.84
Sep	19.87	19.86	19.90	19.88
Oct	19.90	19.81	19.90	19.77
Nov	19.82	19.77	19.82	19.75
Dec	19.78	19.74	19.82	19.74
Jan	19.75	19.68	19.73	19.65
Feb	19.65	19.50	19.65	19.63

HEATING OIL 42,000 US galls, cents/US galls

	Latest	Previous	High/Low	
May	5545	5508	5590	5500
Jun	5475	5484	5505	5440
Jul	5460	5453	5480	5435
Aug	5520	5510	5540	[illegible]
Sep	5640	5625	5635	5620
Oct	5740	5725	5740	5720
Nov	5825	5815	5825	5815
Dec	[illegible]	5900	5940	5895
Jan	5930	5920	5940	5930
Feb	5835	5825	5840	5825

COCOA 10 tonnes; $/tonnes

	Close	Previous	High/Low	
May	914	960	960	914
Jul	965	1010	1011	965
Sep	1006	1051	1055	1006
Dec	1058	1102	1102	1058
Mar	1105	1141	1131	1105
May	1132	1172	1157	1130
Jul	1167	1199	1167	1167
Sep	1185	1225	1219	[illegible]
Dec	1253	1285	0	0

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
May	64.60	66.10	66.65	64.05
Jul	66.45	68.10	68.85	66.00
Sep	68.65	70.60	71.20	68.30
Dec	72.40	74.00	74.70	72.10
Mar	76.30	78.00	77.90	76.30
May	78.75	80.35	80.00	78.75
Jul	81.50	82.50	0	0
Sep	84.50	85.25	0	0

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
May	56.98	57.16	57.20	56.30
Jul	59.02	59.12	59.20	58.30
Oct	60.77	60.65	60.85	60.25
Dec	61.53	61.57	61.55	61.01
Mar	62.90	63.00	62.70	62.25
May	63.35	63.55	63.30	63.10
Jul	63.75	63.86	0	0
Oct	64.00	0	0	0

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
May	137.15	136.50	137.75	136.50
Jul	133.45	133.00	133.95	132.75
Sep	125.75	125.00	125.75	125.50
Nov	119.50	119.75	120.00	120.00
Jan	119.60	119.60	120.75	119.50
Mar	119.50	119.60	120.50	120.50
May	119.50	121.00	120.00	120.00
Jul	119.50	119.60	0	0
Sep	119.50	119.60	0	0

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
May	572/4	571/0	576/2	567/0
Jul	580/4	578/2	584/2	574/0
Aug	585/0	582/0	588/0	577/4
Sep	589/4	585/4	592/0	582/0
Nov	595/2	592/2	599/0	590/2
Jan	603/4	601/4	608/0	600/0
Mar	614/4	610/4	616/0	606/4
May	621/0	617/0	622/0	618/0

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
May	19.49	19.39	19.53	19.30
Jul	19.76	19.67	19.82	19.59
Aug	19.86	19.83	19.96	19.75
Sep	20.02	19.96	20.12	[illegible]
Oct	20.16	20.11	20.22	20.06
Dec	20.45	20.45	20.69	20.38
Jan	20.60	20.50	0	0
Mar	20.88	20.75	0	0

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
		PR.SET	HIGH	LOW
May	174.7	PR.SET	HIGH	LOW
Jul	177.2	173.6	175.5	173.2
Aug	178.4	176.2	178.3	175.6
Sep	179.7	177.4	179.4	176.6
Oct	195.6	178.5	180.6	177.6
Dec	196.0	183.5	195.5	193.2
Jan	197.0	194.1	197.0	193.6
Mar	198.0	194.5	197.0	194.4

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
May	252/4	253/4	253/6	252/2
Jul	258/2	259/0	259/4	257/6
Sep	255/2	256/4	258/2	254/4
Dec	254/2	254/0	255/2	253/2
Mar	262/0	261/4	262/4	261/0
May	266/6	265/4	267/0	265/0
Jul	270/0	268/6	270/0	269/0
Dec	258/0	256/4	0	0

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
May	360/0	361/0	362/4	357/0
Jul	352/2	351/2	353/0	348/0
Sep	358/6	356/6	357/0	353/0
Dec	364/4	364/6	366/0	362/0
Mar	366/0	366/4	367/0	364/4
May	357/4	357/4	0	0
Jul	339/4	340/4	342/0	338/2
Sep	343/0	345/4	343/0	343/0

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Apr	77.950	78.375	78.475	77.900
Jun	73.125	73.525	73.775	73.075
Aug	68.875	69.050	69.325	68.850
Oct	68.950	68.950	69.300	68.800
Dec	69.125	69.125	69.350	69.000
Feb	68.750	68.700	68.850	68.750
Apr	70.050	70.100	70.250	70.050

LIVE HOGS 40,000 lb; cents/lbs

	Close	Previous	High/Low	
Apr	43.650	43.525	43.700	43.000
Jun	48.050	48.200	48.375	47.600
Jul	45.950	46.300	46.375	45.725
Aug	44.075	44.325	44.350	43.750
Oct	40.850	40.900	40.850	40.500
Dec	42.875	42.700	42.900	42.500
Feb	43.800	43.900	43.900	43.700
Apr	42.275	42.350	42.400	42.250

PORK BELLIES 40,000 lbs; cents/lb

	Close	Previous	High/Low	
May	34.100	34.675	34.800	34.025
Jul	34.200	34.625	34.625	34.100
Aug	32.750	33.175	33.250	32.675
Feb	42.525	42.750	42.525	42.300
Mar	41.925	42.050	0	41.925
May	42.500	42.800	42.800	42.500
Jul	42.000	0	0	0
Aug	40.000	0	0	0

LONDON STOCK EXCHANGE

Footsie edges towards all-time high

By Steve Thompson

THE UK equity market moved to within striking distance of its all-time high after another heavy wave of domestic and overseas buying interest stimulated by last week's Conservative victory in the general election.

Yesterday's 39.7 jump took the FT-SE 100 share index up to 2,640.2, only some 40 points short of the all-time high of 2,679.6, reached on September 2, 1991. Over the past five trading sessions – or since polling day – the Footsie has risen almost 250 points, or 10.32 per cent per cent.

There was further strong encouragement for the market, and more particularly for City investment houses, in the high level of turnover on the stockmarket since last Friday's election result. Yesterday turnover expanded to 829.3m shares, the second highest this year. This compared favourably with Tuesday's 601.8m shares and Monday's 629.3m but fell well short of last Friday's 1.34bn.

The sharp upturn in the number of shares traded obviously brings with it a similar increase in the value of customer business and broker commissions. "If nothing else, the Conservative election win has saved hundreds of jobs in the City," said one broker.

London was up and running from the outset, with strong buying of the Footsie future after hours on Tuesday leading the cash market higher. The future remained at a big premium to the cash market all day, closing some 47 points above the footsie and 25 points above fair value.

Some traders said the market had been taken by surprise by the weight of money pouring into UK equities since the election. "We expected a big jump but nothing like this," said one who added that marketmakers, having sold out of what were generally small bull positions in equities, are now looking at short positions in many areas.

The initial burst of strength in London was helped by the big gains on the world's two most important stockmarkets, Wall Street and Tokyo. Wall Street, which hit an all-time peak on Tuesday, was moving ahead strongly as London closed, while Tokyo, bruised and battered in the past few weeks, staged a good rally overnight.

Worries that the market may have run ahead of itself in the post-election euphoria were not taken too seriously by senior dealers. "We have not seen any real selling into the market and fund managers are very frightened to be out of equities."

He said the market was well aware of the likelihood of a big rights issue queue forming up, but mentioned the good performance of sterling and the recent signs that the economy is moving out of recession, albeit very slowly.

Midland Bank remained the focus of attention as Hoare Govett, the stockbroker, made another unsuccessful attempt to place a block of 60m shares in Midland for the Kuwait Investment Office. Composite insurers surged higher although specialists cautioned that the sector, battered by a series of insurance disasters including natural disasters and colossal claims for mortgage indemnity, could well be first in the queue to raise much needed funds.

Account Dealing Dates		
*First Dealings:		
Apr 6	Apr 27	May 11
Option Declarations:		
Apr 23	May 7	May 28
Last Dealings:		
Apr 24	May 8	May 29
Account Day:		
May 5	May 18	Jun 8

*New-time dealings may take place from 8.00 am two business days earlier.

Price war talk hits Vodafone

TALK of a price war in the cellular communications market, combined with a large placing of stock, hit Vodafone yesterday, the shares slipping 2 to 356p in record turnover of 22m.

The placing of two lots of 5m shares at 350p, believed to have been done by James Capel, added fuel to the rumour that rival cellular operator Cellnet was planning to cut its prices – and that Vodafone had promised to match any reductions to protect its market share. However, analysts played down the link between the two events, arguing that the placing had been hanging over the market for some time.

Cellnet contacted some analysts yesterday to deny the price war story. However, some price restructuring is seen as necessary before the launch next year of PCN, a cheaper but more specialised version of cellular, with some in the market seeing yesterday's rumour – centred around Cellnet's secretive "Project Liberty" – as the start of a phoney war.

Difficulties placing 60m Midland shares were said to have ensured that the stock was depressed and closed a penny off at 364p with only 3.8m shares traded in a particularly strong market.

Securities house Hoare Govett was believed to be offering the bulk of the Kuwait Investment Office's 10.5 per cent stake in Midland Bank at 362p per share. This followed its attempt to place the shares on Tuesday at the same price.

Market commentators have said that Hoare had only managed to pre-place about a third of the shares. One trader said the apparent difficulty in placing the stake suggested that there was unlikely to be a rival offer to Hongkong Bank's 378p per share all-paper bid for Midland. Hoare Govett said it was unable to comment but hoped to say something soon.

Guinness fell 12 to 378p, on turnover of 4.8m shares, but several analysts questioned the reasoning behind the move. Dealers were concerned by reports of lower cognac sales in Japan by Guinness's associate LVMH and by fears that the company will change a convertible debenture and loan stock into 42m ordinary shares in June.

Rumours of a downgrading were denied by Lehman Brothers, with the US investment bank and Nomura remaining bullish on the stock.

Dividend worries over Tarmac proved justified as the building group slashed its payout from 11.25p to 5.5p. The continuing poor outlook for the UK construction market, allied to what many consider an overvalued land bank, led to a generally gloomy short-term prognosis from many analysts.

Mr Howard Seymour at BZW said: "If the new management strategy starts to have any effect over the next year, we may re-consider our stance. But in the meantime, we remain a hold." The shares fell 6 to 139p in the heaviest turnover for five years of 19m.

Large scale switching by overseas investors out of the Electricity Package, down £25 at £3038, and into Scot Hydro, up 5 at 105½p, was the main feature in a generally strong utilities sector. Turnover in Scot Hydro was a very high 14m shares. Renewed demand was seen for the water companies, with Mr Stephen Doe, at *Smith New Court, describing* the water stocks as "screamingly cheap." Wessex rose 12 to 463p and Thames 10 to 426p.

Hanson saw heavy turnover as, according to one specialist, investors continued to speculate that it "might not be a million miles away from doing its next deal". The shares closed steady at 235¼p with 18.6m dealt. ICI, in which Hanson holds a 20m share stake, gained 32 to 1347p. Hanson paid 1194½p for its stake just under a year ago.

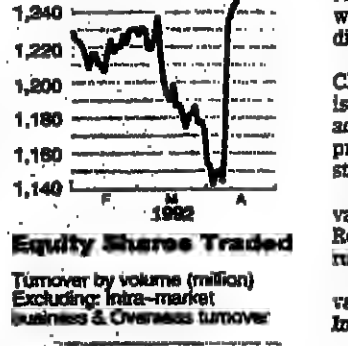
Forte's well-signalled results caused few surprises, although a higher-than-expected interest rate charge and gloomy UK occupancy figures prompted downgrades from most analysts to the range of £125m-140m for this year. The shares

British Gas gained 6½ to 278p as a number of houses pointed out the relative underperformance in the shares.

Lasmo gained 11 to 211p after announcing that it had completed the sale of three tankers, which together with a previously announced sale would bring in an estimated $125m (£72.6m). There was also talk that the exploration company was about to announce the disposal of its Wilmington refinery and petrol retailing business but other analysts were sceptical.

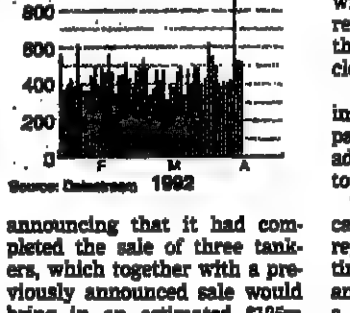
Among foods, Unilever gained 24 to 920p, boosted by a recommendation from Nomura.

FT–A All–Share Index



Equity Shares Traded

Turnover by volume (million) Excluding: Intra-market business & Overseas turnover



Source: Datastream 1992

Smiths Industries were wanted, the shares adding 14 to 309p, after a positive analysts results meeting. The market was cheered by a 5 per cent dividend increase.

Mr Clive Forestier-Walker at Charterhouse Tilney said this is an "excellent result" and added: "The company has good prospects based on the outstanding order book."

Vickers rose 8 to 167p, as vague talk about the sale of its Rolls-Royce Motors subsidiary returned.

A squeeze coupled with vague bid talk saw Glynwed *International jump 21 to 263p.*

Turnover in Roll-Royce rose to 7.3m in two way business, with a leading US house reported to have done most of the day's trade. The shares closed 1¼ firmer at 169p.

US buying, after a positive industry outlook from the company's chief executive in Canada, lifted British Airways 11 to 279p.

The prospect of a new cash call from Eurotunnel when it reports figures next week continued to overhang the shares and they fell another 9 to 370p, a 1992 low.

BICC surged 15 to 340p as Hoare Govett reiterated its buy recommendation.

MARKET REPORTERS:
Peter John, Joel Kibazo, Colin Millham, Christopher Price

■ Other market statistics, Page 26.

FINANCIAL TIMES STOCK INDICES

	Apr 15	Apr 14	Apr 13	Apr 10	Apr 9	Year Ago	1992 High	1992 Low	Since Compilation High	Since Compilation Low
Government Secs	88.82	88.57	88.61	88.19	86.00	85.07	88.82 (15/4)	85.11 (1/4)	127.40 (9/1/35)	49.18 (3/1/75)
Fixed Interest	102.67	102.52‡	102.34	101.75	99.44	94.67	102.67 (15/4)	97.15 (2/1)	105.40 (28/11/47)	50.53 (3/1/75)
Ordinary Share ●	2053.0	2014.9	2005.5	2001.1	1885.7	1985.5	2053.0 (15/4)	1851.4 (3/4)	2108.3 (2/9/91)	49.4 (26/6/40)
Gold Mines	113.9	114.0	115.7	114.5	112.3	138.4	160.6 (10/1)	111.5 (8/4)	734.7 (15/2/83)	43.5 (26/10/71)
FT-SE 100 Share	2640.2	2600.5	2591.0	2572.6	2436.4	2518.5	2640.2 (15/4)	2382.7 (3/4)	2679.6 (2/9/91)	986.9 (23/7/84)
FT-SE Eurotrack 200	1212.94	1199.46	1194.61	1187.54	1149.42	1161.90	1212.94 (15/4)	1120.52 (8/1)	1212.94 (15/4/92)	938.62 (16/1/91)
●Ord Div Yield	4.44	4.47	4.49	4.49	4.74	4.86				
●Earning Yld %(full)	6.36	6.53	6.54	6.55	6.91	8.88				
●P.E Ratio(Net)(*)	19.39	19.22	19.16	19.12	18.14	13.88				
SEAQ Bargns 5.00pm	43,169	36,883	40,531	64,444	26,426	30,305				
Equity Turnover(£m)†	-	1,333.3	1,218.6	2,591.9	870.8	805.9				
Equity Bargains†	-	41,130	48,934	68,937	28,542	30,948				
Shares Traded (mil)†	-	528.8	530.6	1,077.5	418.1	363.3				

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35. Gold mines 12/9/55. Basis 1000 FT-SE 100 31/12/83 & FT SE Eurotrack 200 26/10/90. ◇ Nil 18.48 ‡ Corrected

Ordinary Share Index, Hourly changes Day's High 2053.0 Day's Low 2037.9

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2040.3	2042.1	2038.2	2040.8	2044.2	2048.9	2050.8	2049.7	2049.3

FT-SE 100, Hourly changes Day's High 2640.2 Day's Low 2620.2

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2621.6	2623.7	2621.0	2626.0	2630.6	2638.7	2638.5	2637.1	2635.7

FT-SE Eurotrack 200, Hourly changes Day's High 1214.41 Day's Low 1208.87

Open	10 am	11 am	12 pm	1 pm	2 pm	3 pm
1209.10	1209.41	1209.53	1211.21	1212.85	1213.74	1213.93

GILT EDGED ACTIVITY

Indices*	Apr 14	Apr 13
Gilt Edged Bargains	138.7	169.9
5–Day average	149.7	137.8

*SE Activity 1974.
†Excluding intra-market business and Overseas turnover.

London report and latest Share index. Tel 0891 123001 Calls charged at 36p/minute cheap rate, 48p/minute at all other times.

TRADING VOLUME IN MAJOR STOCKS

	Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change
ADT	41	460	-10	Comm. Union	610	448	+27	Lucas	1,800	128	+1	Shell Transport	4,100	487	+5
ASDA Group	36,200	51½	+½	Cookson	5,900	145	+5	MB Caradon	2,800	302	+7	Siebe	730	684	+11
[illegible]				[illegible]				[illegible]				[illegible]			
BOC	2,300	571	+5	Glaxo	2,500	812	+13	P & O	3,400	474	+15	T&N	2,800	132	+1
BPB Ind	3,900	178	+4	Glynwed Int.	1,400	263	+21	Pilkington	2,300	144	-1	TI Group	832	726	+23
BTR	4,700	449	+4	Granada	4,100	179	+12	PowerGen	5,000	229	+4	TSB	7,700	137	+4
Bank of Scotland	985	115	+1	Grand Met.	8,600	480	+2½	Prudential	4,100	240	+12	Tarmac	19,000	139	-6
Barclays	3,300	336	+10	GUS A	323	1547	+5	RHM	1,300	228	+1	Tate & Lyle	4,100	425	+8
Bass	1,800	871	+13	GRE	2,200	136	+4	RMC	1,400	630	+24	Taylor Woodrow	2,400	124	-5
Berisford Int.	136	18½		GKN	1,500	380	+20	RTZ	2,600	598	+7	Tesco	7,300	277	+5
Blue Circle	6,400	272	-15	Guinness	4,800	378	-12	Racal	4,300	67	+½	Thames Water	4,100	426	+10
Bowater?	728	482	+5	Hammerson 'A'	1,800	350	-24	Rank Org.	744	718½	+18½	Thorn EMI	1,300	824	+10
Boots	2,300	480	+13	Hanson	18,000	235¼	+½	Reckitt & Colman	780	580	+12	Tomkins	838	474	+8
Bowater	977	789	+20	Hanson Warrants	4,700	29		Redland	3,100	538	-9	Trafalgar House	1,700	158	+3
Brit. Aerospace	3,800	381	+11	Harrisons Crosfield	1,800	129	+5	Reed Intl	1,300	568	+9	Unigate	680	274	-1
British Airways	7,400	279	+11	Hillsdown	6,800	192	+16	Rentokil	194	414	+8	Unilever	3,200	920	+24
British Gas	16,000	278	+6½	IMI	582	276	+15	Reuters	372	1132	+24	United Biscuits	2,000	405	+10
British Land	394	184	+5	ICI	1,400	1347	+28	Rolls Royce	10,000	169	+1¼	Utd. Newspapers	6,200	404	+4
BP	14,300	257	+5	Inchcape	988	484	+10	Rothmans	871	1099	-10	Vodafone	22,000	356	-2
British Steel	8,750	79	+1½	Kingfisher	3,300	555		Ryl Bk Scotland	1,200	171	+3	Warburg (SG)	705	667	+10
British Telecom	8,600	348	+3	Kwik Save	1,000	573	+6	Royal Insurance	3,300	201	+4	Wellcome	808	1128	+15
Br. Telecom New	21,000	127¼	+4	Ladbroke	1,300	344	+1	Saatchi	29,000	16½		Welsh Water	550	404	
Bunzl	1,800	104	+1	Land Securities	1,800	396	+3	Sainsbury	1,700	423½	+10½	Wessex Water	886	463	+12
Burmah Castrol	412	664	+25	Laporte	647	602	+7	Scottish & New	2,800	472	+2	Whitbread 'A'	1,000	446	+19
Burton	4,300	49	+2	Legal & General	841	390	+13	Scot. Hydro-Elect.	14,000	105½	+5	Williams Hldgs.	1,300	347	+2
Cable & Wire	3,800	577	+7	Lloyds Abbey	886	417½	+14½	Scottish Power	16,000	100½	+3½	Willis Corroon	3,400	253	+6
Cadbury Schweppes	4,400	480	+5	Lloyds Bank	1,800	403	+12	Sears	6,800	108	+3	Wimpey	817	168	+1
Calor Group	172	184	+1	LASMO	7,700	211	+11	Sedgwick	828	203	+7½	Wolseley	173	444	+7
Carlton Comms	1,400	614	+25	London Elect.	1,000	320	+5	Seeboard	581	318	+10	Yorkshire Elect.	423	389	+6
Coats Viyella	3,300	224	+8	Lonrho	1,000	79		Severn Trent Water	4,300	382	+8	Yorkshire Water	867	437	+12

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system on Tuesday until 4.30pm. Trades of one million or more are rounded down.

EQUITY FUTURES AND OPTIONS TRADING

STRONG demand continued in the derivatives market, sending stock index futures sharply forward and turnover in the traded options market higher, writes Joel Kibazo.

Trading in the June contract on the *FT-SE* followed the recent pattern of low demand at the open and June had retreated by 10 points to 2657 by 9.30am, which proved to be the low of the day. A spate of large buying orders from leading institutions reversed June's falls sending it forward as a squeeze developed after dealers rushed to fill the orders. Independent traders dominated dealing during the afternoon session though demand remained high.

June closed at 2684, 41 ahead on the previous session and around 25 points above its estimated fair value premium to cash of about 22.

Turnover in traded options remained high at 41,545 matching Tuesday's total, ahead of next week's expiry date.

The FT-SE option was again busy, trading 13,365 contracts, while the Euro FT-SE recorded a day's turnover of 6,789 lots. Thames Water remained the busiest stock option. It traded 2,545 lots. This was followed by Hanson in which 2,511 lots were and then by Boots with 1,352 contracts.

NEW HIGHS AND LOWS FOR 1992

NEW HIGHS (278).
BRITISH FUNDS (11) Tr 8pc '92, Tr 8¾pc '93, Fd 6pc '93, Tr 8¾pc '94, Tr 9pc '94, Cv 10pc '96, Ex 10½pc '97, Tr 8¾pc '97, Ex 9¾pc '98, Tr 9½pc '99, Cv 10¼pc '99, OTHER FIXED INT. (1) Int-Am Dev 12½pc '03, AMERICANS (4) Abbott Labs, Am T ... [illegible]

FT-ACTUARIES SHARE INDICES

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	EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section	Wed Apr 15 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1992 to date	Tue Apr 14 Index No.	Mon Apr 13 Index No.	Fri Apr 10 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (179)	856.68	+1.2	7.23	5.43	18.06	10.84	846.72	836.04	829.29	871.85
2	Building Materials (22)	1062.75	-0.7	5.00	5.57	24.35	10.30	1070.32	1043.18	1029.43	1128.79
3	Contracting, Construction (28)	975.30	+0.8	6.75	6.23	22.70	9.16	967.63	951.26	934.91	1387.15
4	Electricals (8)	2562.36	+2.9	7.22	5.76	18.00	20.97	2490.41	2461.15	2459.99	2045.18
5	Electronics (29)	1874.33	+1.1	9.60	4.52	13.20	3.46	1853.17	1848.96	1821.88	1847.32
6	Engineering-Aerospace (7)	380.61	+2.5	9.42	6.81	13.51	9.52	371.34	369.28	364.80	455.81
7	Engineering-General (44)	520.70	+2.1	8.07	4.53	15.37	6.61	509.83	499.76	491.77	462.68
8	Metals and Metal Forming (8)	340.68	+3.2	1.83	10.17	-	0.32	330.13	324.59	332.93	493.13
9	Motors (14)	341.90	+2.1	7.65	6.08	17.14	6.43	334.78	333.12	334.01	352.98
10	Other Industrial Materials (19)	1747.37	+1.2	6.98	4.74	17.44	32.10	1726.59	1712.80	1714.39	1544.74
21	CONSUMER GROUP (188)	1720.04	+1.5	7.00	3.45	17.52	11.64	1695.18	1692.09	1678.67	1479.94
22	Brewers and Distillers (24)	2142.29	+0.4	7.54	4.18	15.96	16.70	2133.96	2141.03	2135.62	1808.58
25	Food Manufacturing (17)	1284.74	+1.9	8.53	4.06	14.62	17.10	1260.63	1258.50	1253.79	1208.79
26	Food Retailing (18)	2769.87	+1.7	8.33	3.15	15.54	6.04	2723.49	2721.27	2688.38	2804.91
27	Health and Household (24)	4401.09	+1.5	6.21	2.40	18.38	23.22	4334.60	4321.93	4295.77	3293.05
29	Hotels and Leisure (20)	1395.65	+1.9	6.18	4.89	20.89	15.37	1369.86	1367.29	1360.71	1362.15
30	Media (25)	1597.96	+1.9	6.04	3.43	20.66	13.93	1568.36	1559.09	1560.97	1521.09
31	Packaging, Paper & Printing (17)	808.92	+1.9	6.62	4.08	17.81	9.89	793.78	782.65	767.70	677.01
34	Stores (33)	1104.70	+1.6	6.68	3.28	19.87	2.45	1087.29	1084.45	1063.92	930.30
35	Textiles (10)	723.71	+2.8	6.58	4.29	19.21	2.94	703.76	705.17	697.18	537.78
40	OTHER GROUPS (116)	1286.36	+1.4	9.41	5.10	13.40	13.44	1268.23	1259.06	1249.48	1227.94
41	Business Services (17)	1403.67	+1.8	7.12	4.50	17.93	11.81	1379.30	1362.26	1342.04	1220.12
42	Chemicals (22)	1543.98	+2.0	6.71	4.71	18.28	23.59	1513.32	1508.16	1507.14	1278.19
43	Conglomerates (11)	1428.63	+0.7	9.96	7.04	12.27	9.10	1418.56	1388.50	1376.42	1550.20
44	Transport (14)	2539.67	+2.2	4.97	4.47	27.06	26.14	2485.10	2471.48	2448.88	2212.47
45	Electricity (16)	1267.63	+1.5	13.86	5.63	9.41	17.21	1248.62	1242.47	1250.24	1186.40
46	Telephone Networks(4)	1429.52	+0.8	10.97	4.39	11.91	16.02	1418.43	1411.45	1385.09	1466.31
47	Water(10)	2740.18	+1.5	15.56	5.80	7.00	0.00	2699.72	2694.94	2696.84	2532.58
48	Miscellaneous (22)	1979.89	+1.8	6.06	4.97	21.81	20.93	1945.28	1931.70	1918.73	1921.01
49	INDUSTRIAL GROUP (483)	1366.30	+1.4	7.79	4.33	16.07	12.27	1347.41	1340.03	1329.50	1254.37
51	Oil & Gas (17)	2088.68	+1.8	7.47	6.81	17.66	41.53	2051.33	2048.01	2027.24	2480.35
59	500 SHARE INDEX (500)	1435.57	+1.4	7.76	4.58	16.22	14.49	1415.13	1407.93	1396.54	1357.90
61	FINANCIAL GROUP (87)	723.45	+2.5	-	6.26	-	15.02	705.63	703.36	703.06	837.60
62	Banks (9)	919.83	+2.1	5.15	5.94	30.79	22.89	900.53	897.84	897.78	942.56
65	Insurance (Life) (6)	1498.73	+4.1	-	5.94	-	43.02	1439.96	1439.96	1447.73	1572.32
66	Insurance (Composite) (7)	492.26	+4.1	-	7.07	-	9.16	472.69	466.82	471.93	662.70
67	Insurance (Brokers) (10)	932.62	+2.1	8.26	7.19	15.98	20.48	913.77	932.44	941.63	1202.38
68	Merchant Banks (7)	471.25	+2.1	-	4.40	-	4.25	461.75	459.69	448.87	429.60
69	Property (33)	645.85	+1.4	8.40	7.03	16.68	3.43	636.70	632.44	624.87	1010.32
70	Other Financial (15)	241.98	+0.9	8.29	7.14	15.06	3.12	239.87	239.72	236.81	290.70
71	Investment Trusts (70)	1206.22	+1.7	-	3.68	-	10.96	1185.50	1183.48	1186.35	1210.50
99	ALL-SHARE INDEX (657)	1266.43	+1.6	-	4.74	-	14.27	1246.82	1240.85	1232.15	1230.65

	Index No.	Day's Change	Day's High (a)	Day's Low (b)	Apr 14	Apr 13	Apr 10	Apr 9	Apr 8	Year ago
FT-SE 100 SHARE INDEX◆	2640.2	+39.7	2640.2	2620.2	2600.5	2591.0	2572.6	2436.4	2393.2	2545.0

FIXED INTEREST

	PRICE INDICES	Wed Apr 15	Day's change %	Tue Apr 14	Accrued interest	xd adj. 1992 to date
	British Government					
1	Up to 5 years (27)	122.08	+0.15	121.90	1.55	4.04
2	5-15 years (25)	137.50	+0.27	137.49	0.99	5.45
3	Over 15 years (9)	150.18	+0.28	149.75	2.54	2.78
4	Irredeemables (6)	168.13	+0.65	167.05	4.00	1.50
5	All stocks (67)	135.36	+0.23	135.23	1.40	4.72
	Index-Linked					
6	Up to 5 years (2)	169.07	+0.10	168.91	0.17	1.83
7	Over 5 years (9)	145.11	-0.14	145.32	0.52	1.64
8	All stocks (11)	147.29	-0.10	147.45	0.47	1.65
9	Debs & Loans (62)	120.29	+0.46	119.74	2.35	3.41

	AVERAGE GROSS REDEMPTION YIELDS		Wed Apr 15	Tue Apr 14	Year ago (approx.)
	British Government				
1	Low	5 years	8.36	8.43	9.17
2	Coupons	15 years	8.99	9.03	9.62
3	(0%-7¾%)	20 years	8.99	9.03	9.74
4	Medium	5 years	9.27	9.31	10.26
5	Coupons	15 years	9.03	9.06	10.06
6	(8%-10¾%)	20 years	9.01	9.04	10.00
7	High	5 years	9.50	9.55	10.41
8	Coupons	15 years	9.13	9.17	10.23
9	(11%-)	20 years	9.08	9.11	10.17
10	Irredeemables		9.19	9.25	10.00
	Index-Linked				
11	Inflation rate 5%	Up to 5yrs	3.95	3.97	3.75
12	Inflation rate 5%	Over 5 yrs	4.55	4.54	4.10
13	Inflation rate 10%	Up to 5 yrs	3.20	3.22	2.85
14	Inflation rate 10%	Over 5 yrs	4.35	4.34	3.90
15	Debs &	5 years	10.56	10.57	11.86
16	Loans	15 years	10.40	10.43	11.64
17		25 years	10.29	10.34	11.43

◆Opening index 2621.6; 9 am 2623.7; 10 am 2621.0; 11 am 2626.0; Noon 2630.6; 1 pm 2636.7; 2 pm 2638.5; 2.30 pm 2638.1; 3 pm 2637.1; 4.10 pm 2637.6; (a) 4.30pm (b) 9.14am † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL. The FT-ACTUARIES SHARE INDICES SERVICE covers a range of electronic and paper-based products relating to these indices. These are available by subscription from FINSTAT, 2nd Floor, 126 Jermyn Street, London SW1Y 4UJ. Tel: 071-925 2323.

LONDON SHARE SERVICE

BRITISH FUNDS

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BRITISH FUNDS - Cont.

[illegible]

BRITISH FUNDS - Cont.

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OTHER FIXED INTEREST

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LONDON SHARE SERVICE

AMERICANS

Notes	Price £	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's
Abbott Labs	38 xd	+1	38	34	16,239	1.8
Allegheny & W	282p	+14	335p	226p	136.2	8.4
Amdahl	849p	+13	1159p	815p	942.4	0.7
Amer Cyanamid	38½	+1	37	32¼	3,402	2.3
Amer Express	12⅞ xd	+	13⅞	10	6,079	4.4
Amer T & T	24½ xd	+½	24½	20⅞	31,888	3.1
Ameritech	33⅞	+⅛	36	32½	14,722	5.9
BankAmerica	24 xd	+1	26⅞	19	5,328	3.0
Bankers NY	30 xd	+1	37¼	28⅞	2,453	9.7
Bell Atlantic	23¼	+	28¾	23⅛	9,348	6.2
BellSouth	25	—	29⅛	25	12,167	6.2
Bethlehem Steel	7 xd	+	9⅝	7	596.7	–
Bowater	1331pxd	+42	1579p	1078p	478.1	5.1
CPC	50 xd	+	51⅞	45	3,802	2.7
California Engy	669p	+3	830p	646p	121.8	–
Campbell Soup	19¼	+	23	19	4,836	2.3
Chase Manhattan	13⅝ xd	+	14	9⅛	1,915	5.0
Chrysler	10¼ xd	+⅛	10⅞	6¾	2,996	3.3
Citicorp	9 xd	+	10	5⅞	3,267	–
Colgate-Palm	27⅞ xd	+	28⅞	25¾	4,377	2.1
Cont'l Bank	1012p	+20	1012p	499p	1,022	3.3
Dana	22 xd	+	23⅛	14	927.5	4.0
Data General	524p	+7	1004p	509p	144.6	–
Dial	21⅞ xd	+	24⅛	19⅞	868.6	2.9
Dun & Brad	31⅛	+⅛	33½	28⅞	5,834	4.1
Eaton	43¾	+1	45½	32½	1,498	2.6
Echlin	10¼ xd	+½	11	7⅞	572.4	3.8
FPL	19⅛ xd	+	19	18⅛	3,261	7.1
Fluor	22⅝ xd	+	27	21	1,834	1.0
Ford Motor	23¼ xd	+½	23	15	11,068	2.4
Gen Elect	43½ xd	+⅞	48¼	40	37,589	2.7
General Host	503p	—	586p	360p	–	4.0
Gillette	28 xd	+	29⅞	26⅞	6,327	1.2
Hasbro	16¼	+¼	18	12⅞	1,211	0.5
Honeywell	40½ xd	+⅛	43	34⅛	2,828	2.3
Houston Inds	24⅛	—	24¾	23	3,110	8.9
IBM	50¼ xd	+⅛	54½	46	28,748	5.4
Ingersoll-Rand	34⅞ xd	+	38	28	1,782	2.2
Lockheed	28¾	—	28½	22⅞	1,816	4.4
Loews	2244p	+70	2478p	1631p	817.1	1.4
Merrill Lynch	28½ xd	−	39	27⅞	2,927	2.0
Morgan (JP)	30 xd	−	37½	29	5,728	4.0
Morris (Philip)	44⅞ xd	+⅛	45	41⅛	41,438	2.6
NYNEX	41½	+⅝	44⅝	38⅝	4,417	6.3
Pac Agric	57p	+5	67p	28p	–	–
Pall	14⅞	+¼	17	10	1,281	1.4
Pennzoil	25⅞ xd	+	30¼	25⅞	1,887	6.6
Quaker Oats	30¼ xd	+¼	40	28	2,260	3.2
Rockwell	13 xd	+⅛	15	13	3,129	3.7
Rep NY	22	−	28	22	1,147	2.8
Sears, Roebuck	28⅛ xd	+⅛	28	19	4,809	4.3
Sthwestern Bell	34½	+½	35⅞	32¼	10,344	4.8
Sun Co	15⅝ xd	+	16⅞	15⅛	1,657	6.6
Tenneco	21¼ xd	+	23⅛	16	2,602	4.3
Texaco	33¼ xd	+⅛	35¼	30	8,728	5.3
Time Warner	57⅞ xd	+1	62⅛	46	5,332	1.0
Unilab	448p	−19	587p	440p	488.7	–
Utd Tech	30½ xd	+	31½	27	3,788	3.4
Uuitech	117p	−5	182p	68p	–	–
URS Intl. 1c	9⅞p	—	1¼p	0¼p	2.38	–
US West	19⅞	+⅛	21	18⅞	7,942	6.2
Varity	750p	+5	869p	632p	187.2	–
Waste Manage	22⅞ xd	+	25	20	10,576	1.1
Whirlpool	2646pxd	+84	2761p	2021p	1,835	2.3
Woolworth	15	+⅛	18⅛	14⅛	2,882	3.8

CANADIANS

Notes	Price £	+ or -	1992 high	low	Mkt Cap£m	Yld Gr's
Abbot Energy	2p	—	2p	1¾p	–	–
Amer Barrick	1401p	−6	1640p	1376p	1,913	0.3
Bk Montreal	21½	+⅛	23¼	20	2,888	5.3
Bk Nova Scot	1078p	+21	1176p	932p	2,088	4.6
BC Gas	814p	+1	870p	760p	–	4.0
BCE	21¾	+⅛	24½	21½	6,782	7.1
Brascan	798p	+14	887p	774p	888.8	7.1
Breakwater	29½p	−½	33p	6p	18.6	18.3
Can Imp Bk	1371p	+16	1810p	1332p	2,638	6.2
Can Pacific	[illegible]	+14	[illegible]	798p	2,888	0.3

[illegible]

BANKS

[illegible]

BREWERS & DISTILLERS

[illegible]

BUILDING MATERIALS

[illegible]

BUILDING MATERIALS - Cont.

[illegible]

BUSINESS SERVICES

[illegible]

CHEMICALS

[illegible]

CONGLOMERATES

[illegible]

CONTRACTING & CONSTRUCTION

[illegible]

CONTRACTING & CONSTRUCTION - Cont.

[illegible]

ELECTRICALS

[illegible]

ELECTRICITY

[illegible]

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[illegible]

ENGINEERING - AEROSPACE

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ENGINEERING - GENERAL

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ENGINEERING - GENERAL - Cont.

[illegible]

FOOD MANUFACTURING

[illegible]

FOOD RETAILING

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HEALTH & HOUSEHOLD

[illegible]

HEALTH & HOUSEHOLD - Cont.

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HOTELS & LEISURE

[illegible]

INSURANCE BROKERS

[illegible]

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[illegible]

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INVESTMENT TRUSTS

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INVESTMENT TRUSTS - Cont.

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INVESTMENT TRUSTS - Cont.

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INVESTMENT COMPANIES

[illegible]

MEDIA

[illegible]

MERCHANT BANKS

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METALS & METAL FORMING

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MISCELLANEOUS

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MOTORS

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OIL & GAS - Cont.

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OTHER FINANCIAL

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OTHER INDUSTRIAL MATERIALS

[illegible]

PACKAGING, PAPER & PRINTING

[illegible]

PACKAGING, PAPER & PRINTING - Cont.

[illegible]

PROPERTY

[illegible]

STORES

[illegible]

STORES - Cont.

[illegible]

TELEPHONE NETWORKS

[illegible]

TEXTILES

[illegible]

TRANSPORT

[illegible]

WATER

[illegible]

SOUTH AFRICANS

[illegible]

PLANTATIONS

[illegible]

MINES

[illegible]

MINES - Cont.

[illegible]

	Notes	Price	+or-	1992 high	low	Mkt Cap£m	Yld Gr's
Northgate Expl C$		38	—	49½	36	4.84	—
North West Expl A$		3	—	6	2	1.01	—
Oryx Gold S		84	—	105	51	—	—
Ovoca Res IE		6	—	11	5½	0.42	—
Plateau		8	—	13	8	3.84	—
RTZ		585	+7	602	469	5,856	4.5
Vooiya		1¼	+¼	3	1	0.87	—
Western & Pac C$		38	—	39	7	20.8	—
Young Grp		25	—	110	4	3.76	13.9

GUIDE TO LONDON SHARE SERVICE

Company classifications are based on those used for the FT-Actuaries Indices and FT-Actuaries World Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid-prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted to ACT of 25 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current pre-closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- ■ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ), and non-UK stocks which are quoted on SEAQ International
- ● "Tap Stock."
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ♦ Figures or report awaited
- ● Not officially UK listed; dealings permitted under rule 535(4)(a)
- ✚ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Not officially UK listed; dealings permitted under Rule 535(2)
- # Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- ♣ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings.
v Subject to local tax.
z Dividend yield includes a special payment
E Minimum tender price.
F Yield based on prospectus or other official estimates for 1990-91
G Assumed yield after pending scrip and/or rights issue
H Yield based on prospectus or other official estimates for 1991
K Yield based on prospectus or other official estimates for 1992-93
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1991-92.
N Yield based on prospectus or other official estimates for 1992.
P Figures based on prospectus or other official estimates for 1991
R Forecast annualised yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xi ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1200 a year for each security shown, subject to the Editor's discretion

London Share Prices

Real time share prices are available by calling FT Cityline.

FT Cityline can also provide you with a confidential personal portfolio facility to give you a real time evaluation of your own personal investments.
For a free FT Cityline Share and Unit Trust Directory or to obtain your confidential Portfolio PIN call the FT Cityline Help desk on (071) 925 2128.
Calls charged at 36p per minute cheap rate and 48p per minute at all other times.

FT MANAGED FUNDS SERVICE

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AUTHORISED UNIT TRUSTS

[illegible]

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro

INITIAL CHARGE: [illegible]

OFFER PRICE: Also called issue price. [illegible]

BID PRICE: Also called redemption price. [illegible]

CANCELLATION PRICE: [illegible]

TIME: [illegible] The symbols are as follows: (✠) - 0001 to 1100 hours; (♦) - 1101 to 1400 hours; (▲) - 1401 to 1700 hours; (#) - 1701 to midnight. [illegible]

HISTORIC PRICING: [illegible]

FORWARD PRICING: [illegible]

SCHEME PARTICULARS AND REPORTS: [illegible]

[illegible]

The Life Assurance and Unit Trust Regulatory Organisation.

Centre Point,

103 New Oxford Street, London WC1A 1QH

Tel: 071 - 379 - 0444.

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	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Grs
Stewart Ivory Unit Tst Mgrs Ltd (1200)H						
45 Charlotte Sq, Edinburgh 031-226 3271						
American ♥	5	287.5	287.5	306.0	+1.4	0.75
(Accum Units) ♥	5	338.4	338.4	361.1	+1.6	0.75
British	5	815.9	831.9xd	880.2	+9.5	3.68
(Accum Units)	5	1367.3	1395.1	1476.1	+15.9	3.68
European	5	334.3	334.3	355.3	+1.6	1.42
(Accum Units)	5	362.4	362.4	385.1	+1.7	1.42
Japan	5	92.38	92.38	98.35	+1.27	-
(Accum Units)	5	93.12	93.12	99.14	+1.28	-
[illegible]	5	194.3	194.3	207.7	+1.7	1.67
(Accum Units)	5	199.5	199.5	213.3	+1.7	1.67
PEP Apr 15	5	154.7	156.5	165.6	+1.9	3.71
Mngd Equity	5	126.9	128.2	135.6	+1.4	2.79
Mngd Equity Acc	5	134.6	136.0	143.9	+1.5	2.79
Mngd Cash	0	95.64	95.64xd	95.64	-	9.87
(Accum Units)	0	120.1	120.2	120.2	-	9.87
Majority Stkg	1	99.72	99.72xd	100.71	-	9.41
Majority Stkg Acc	1	110.59	110.59	111.69	-	9.41
Stonebrand Intl Inv Mngrs Ltd (1200)F						
Admin: 5 Rayleigh Rd, Hutton, Brentwood, Essex. Enquiries: 0277 227300 Dealing: 0277 261010						
International Mar 13	0	50.61	50.61	53.01	-	2.69
Sun Alliance Unit Tst Mngmt Ltd (1200)F						
St Mark's Court, Horsham 0403 232325						
Equity	6	626.1	626.1	669.6	+0.2	2.95
North America	6	85.86	85.86	91.83	+2.07	0.36
Far East	6	83.09	83.09	88.90	+1.78	0.65
W'wide Bond	6	47.49	47.49xd	50.52	+0.08	5.73
European	6	[illegible]	[illegible]	[illegible]	[illegible]	1.70
Equity Income	6	69.29	69.29	74.11	+1.30	5.56
Portfolio	6	58.64	58.64xd	62.72	+0.11	2.41
Broker Trusts						
Worldwide Growth	6	47.00	47.00	50.00	-	1.25
Sun Life of Canada Unit Mgrs Ltd (1000)H						
Basingview, Basingstoke, Hants 0800 525725						
American Growth	6	27.30	27.30	29.20	+0.55	0.60
Managed Assets	6	103.82	104.43	111.69	+1.13	4.35
UK Income	6	31.97	32.37	34.63	+0.45	5.19
UK Growth	6	32.12	32.45	34.71	+0.40	4.08
Worldwide Growth	6	23.83	23.83	25.49	+0.36	1.00
Sun Life Trust Mngmt Ltd (1200)H						
101 Cannon St, London EC4N 5AD. Admin & Enq. 071-606 4044 Dealing: 071-606 6010						
Master Portfolio	5½	33.17	33.17xd	35.48	+0.44	1.84
Aggr Growth Acc	5½	43.97	43.97	47.00	+0.20	0.80
Cap Protector Acc	5½	36.34	36.32xd	38.85	+0.84	4.43

	Bid Price	Offer Price	+ or -	Yield Grs
M & G Securities Ltd				
Charibond Apr 13	106.53		+0.1	10.12
(Accum Units)	644.82		-0.8	10.12
NAACIF Apr 7	42.75		+2.21	9.4
Morgan Grenfell Investment Funds Ltd				
Exempt Funds				
UK Equity † Apr 14	132.8	142.4	-	2.90
UK Small Co † Apr 14	509.1	540.1	-	3.58
Fixed Interest † Apr 14	112.4	118.3	-	8.46
US Small Co Apr 14	165.1	174.5	-	0.00
Managed Apr 14	109.3	117.0	-	3.40
Intl Bond Apr 14	128.3	134.7	-	10.32
Japan Apr 14	58.14	61.90	-	4.79
European Apr 14	90.72	97.16	-	1.74
Nth American Apr 14	117.3	126.1	-	1.23
Murray Johnstone UT Mngmt				
Murray Exempt Funds				
Amer Expt Apr 15	56.19	57.42	-	1.71
Euro Expt Apr 15	52.99	55.64	-	2.44
Fixed Int Ex Apr 15	48.34	49.56	-	8.77
Japan Expt Apr 15	35.46	36.86	-	0.92
Managed Ex Apr 15	43.02	44.40	-	4.43
SE Asia Expt Apr 15	73.62	77.30	-	2.61
Sm Cos Expt Apr 15	35.81	37.41	-	3.27
UK Eqty Ex Apr 15	43.53	45.71	-	3.93
Phillips & Drew Fund Management Ltd				
Small Co's Mar 4	[illegible]	[illegible]	-	4.04
Do Accum	781.43	830.61	-	4.04
[illegible]	124.12	132.13	-	1.65
UK Index Mar 4	1135.91	1150.6	-	4.53
Do Accum	1258.32	1273.97	-	4.53
Convertible Apr 13	94.03	97.89	-	8.36
World ex UK Index Apr 14	720.01	734.46	-17.34	2.19
Do Accum	720.01	734.46	-17.34	2.19
Japan Index Apr 14	414.47	422.84	-22.37	[illegible]
Do Accum	418.12	426.51	-22.67	[illegible]
USA Index Apr 7	1046.27	1063.3	-4.20	2.91
Do Accum	1078.59	1097.9	-4.45	2.91
Europe ex UK Index Apr 14	902.74	916.64	-30.00	3.23
Do Accum	938.80	953.27	-29.11	3.25
Pacific ex Japan Index Apr 14	1020.52	1040.39	-13.39	3.64
Do Accum	1094.83	1114.30	-14.02	3.64
Managed Exempt Apr 9	104.41	106.64	-	5.18
American Exempt Apr 9	132.72	135.92	-	3.12
European Exempt Apr 9	123.50	126.02	-	[illegible]
Japan Exempt Apr 9	89.91	91.86	-	[illegible]

INSURANCES

OTHER UK UNIT TRUSTS

Continued on next page

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Norwich Union Life Insurance Soc.–Contd.

Pensionvestor & Unit-Linked Plan*

	Bid Price	Offer Price	+ or –	Yield Gross
Mixed Fund	456 2	480 2	+33 5	–
Ordinary Share Fund	702 7	739 7	+75 0	–
International Fund	167 6	176 4	+3 2	–
Property Fund	259 3	272 9	+0 4	–
Fixed Interest Fund	407 0	428 4	+18 7	–
Index-Linked Sec Fund	189 1	199 1	+1 6	–
Deposit Fund	280 0	294 7	+0.5	–
Norwich Units Mar 14	1048 63			–

*Prices as at April 14

Jersey Investment Plan

	Bid Price	Offer Price	+ or –	Yield Gross
With Profits Fund	123 56	130.07	+0 04	–
Intl Equity Fund	92 41	97 28	+1.50	–
Intl Bond Fund	119 87	126 18	+0 01	–

Norwich Union Pensions Management Ltd

Surrey Street, Norwich, NR1 3NG 0603 683335

Group Pooled Pensions

	Bid Price	Offer Price	+ or –	Yield Gross
Balanced Managed Fd	323 46	328 75	+1.82	–
Growth Managed Fd	107 34	109 19	+0 75	–
Sentinel Managed Fd	105 95	107.27	+0 39	–

Prices as at April 14

Pearl Assurance (Unit Funds) Ltd

Lynch Wood, Peterborough PE2 6FY 0733 470470

	Bid Price	Offer Price	+ or –	Yield Gross
Property Dist. (Gross)	134 2	141.3	+0.1	–
Property Acc. (Gross)	255 8	269 3	+0 1	–
Equity (Gross)	893 3	940.3	+11.8	–
Managed (Gross)	619 7	652.3	+7.3	–
Property Acc. (Net)	122 1	128 6	+0.1	–
Equity (Net)	206 6	217 5	+2.5	–
Managed (Net)	190.6	200 7	+2.1	–
International (Net)	166 0	174 8	+2.3	–
Gilt & Fixed Interest	138.7	146.0	+0 8	–
Money Fund	137 9	145 2		–
Mixed Fund (Cap)	112.4	118.4		–
Mixed Fund (Acc)	116 0	122 2		–

Pearl Assurance (Unit Linked Pens) Ltd

	Bid Price	Offer Price	+ or –	Yield Gross
Ret Man (Series 1)	675 2	710 8	+6.9	–
Ret Man (Series 2)	229 0	241 1	+2 2	–
Ret Cash	193.3	203.5	+0 1	–
Pens Mixed Fd (Cap)	124 8	131 4		–
Pens Mixed Fd (Acc)	128.7	135.5		–

[illegible]

Provident Mutual Life Assc. Assn.–Contd.

	Bid Price	Offer Price	+ or –	Yield Gross
Fixed Interest Ord	225 1	[illegible]		
Fixed Interest Init	165 3	174[illegible]		
Deposit Ord	184 4	[illegible]		
Deposit Init	138 4	142[illegible]		
Pension Funds				
Managed Ord	463 8	[illegible]		
Managed Init	340.7	[illegible]		
Equity Ord	721.4	[illegible]		
Equity Init	529 9	[illegible]		
Pen Ind Lkd Gilt Ord	178 8	[illegible]		
Pen Ind Lkd Gilt Init	137 2	[illegible]		
Overseas Equity Ord	305.3	[illegible]		
Overseas Equity Init	224 2	[illegible]		
Property Ord	279 2	[illegible]		
Property Init	205 1	[illegible]		
Fixed Interest Ord	289.1	[illegible]		
Fixed Interest Init	209.4	[illegible]		
Deposit Ord	263 4	[illegible]		
Deposit Init	193.5	[illegible]		

Prudential Assurance Co

Holborn Bars, London EC1N 2NH

Pensions

	Bid Price	Offer Price	+ or –	Yield Gross
Managed Mar 11	260 4	271.3	+13.2	

Prudential Corporate Pension Funds

1 Stephen St, London W1P 2AP

[illegible]

Providence Capital International Ltd – Contd.

[illegible]

J. D. Ward Financial Services Ltd

9 Kingsway, London, WC2 B6XF 071-836 4321

	Bid Price	Offer Price	+ or –	Yield Gross
J.D. Ward Mngd Fund	184.2	193 1	+3.1	–
J.D. Ward Mngd Pens	119.0	128 4	+2.1	–
Albany Life Acc	188.1	197 9	+1.9	–
Albany Pens Acc	239.8	252.4	+3.0	–
M&G Tripos Pen Acc	180.7	189.9	+1.9	–
[illegible]	182.4	191.9		–

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

[illegible]

CANADA (SIB RECOGNISED)

[illegible]

GUERNSEY (SIB RECOGNISED)

[illegible]

Rothschild Asset Management – Contd.

[illegible]

Daily Dealings *Weekly dealing

Royal Bank of Canada Funds

RBC Offshore Fund Managers Ltd

PO Box 246, St Peter Port, Guernsey 0481 723021

[illegible]

GUERNSEY (REGULATED)**

[illegible]

IRELAND (SIB RECOGNISED)

[illegible]

IRELAND (REGULATED)**

[illegible]

ISLE OF MAN (SIB RECOGNISED)

[illegible]

OFFSHORE INSURANCES

[illegible]

MANAGEMENT SERVICES

[illegible]

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	Bid Price	Offer Price	+ or -	Yield Gross
CMI Fund Managers (IoM)				
Clerical Medical Hse, Douglas, IoM 0624 625999				
High Income				10.36
CMI Corp Portfolio Fund				
UK	1.0906	1.1247		-
USA	1.0696	1.1341		-
Japan	0.4682	0.4943		-
Equity & Law Intl Fund Mngrs Ltd				
Victory Hse, Prospect Hill Douglas IoM 0624 677877				
Total Income Fd	95.96	101.60		
Gartmore Fund Managers (IoM)				
PO Box 32, Douglas, IoM 0624 627610				
Intl Grth	487.4	522.2	+7.9	0.9
Leopold Joseph Fund Mngrs (IoM) Ltd				
PO Box 52 Athol St Douglas IoM 0624 661020				
LJ International	93.84	100.81		-
Mercury Fund Managers IoM Ltd				
11 Hill Street, Douglas IoM 0624 662255				
Merc IoM Fund	103.6	110.5	+1.10	7.0
Merc Intl Bond	50.18	52.73	+0.01	8.5
Sun Life Management (IoM) Ltd				
PO Box 178, Douglas, IoM 0624 622444				
[illegible] High Income	1.0404	1.1152		8.07
Unibank Scandinavian Fund Ltd				
23 Bucks Road, Douglas, IoM 0624 626484				
Scandinavia Fd				1.0

ISLE OF MAN (REGULATED)

JERSEY (SIB RECOGNISED)

LUXEMBOURG (SIB RECOGNISED)

JERSEY (REGULATED)

LUXEMBOURG (REGULATED)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

EBC Trust Company (Jersey) Ltd

Income / Capital

"Offer price includes 5% prelim. charge

International Income Fund

Eurobd Long Term

Equitilink International Mngt Ltd

Fidelity Investment (CI) Ltd

Sterling American

Fleming Group

Robert Fleming Management (Jersey) Ltd

Foreign & Colonial Mngt (Jersey) Ltd

Foreign & Colonial Reserve Asset Fd Ltd

US$ Cash — $10.67 — +0.01

Multicurrency Cash — $26.47 — +0.01

Sterling Cash — £11.75 — +0.01

US$ Bonds — $14.75 — +0.02

Multicurrency Bonds — $19.51 — +0.06

Sterling Bonds — £13.21

D Mark Bonds — DM20.46

Lloyds Bank Luxembourg — 1 Bd Scatter, Luxembourg 010 352 402121

Espirito Santo Investment Mngmt (SICAV)

Eurecu Management S.A.

Europe Plus Investissement (SICAV) (u)

Europe Value Fund (u)

Alliance Capital

Asian Convertibles & Income Fd (Cayman)

Global Asset Management—Contd.

Orbis Investment Management Ltd

Prices on Apr 9 Next Pricing Apr 16 Weekley Pricing

Orbitex Bahamas Ltd

ORIENT Growth Fd

MANAGED FUNDS NOTES

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Pound buoyed by ERM talk

STERLING held firm yesterday, buoyed by the raft of rumours over a weekend move to the narrow 2.25 per cent band of the exchange rate mechanism, *writes Peggy Hollinger.*

Speculation mounted in the early part of the day that the UK and Spain would move jointly over the weekend to join the narrow band. However, traders dismissed the actual possibility that UK or Spanish authorities were ready to yield the flexibility of the wider band.

Yesterday's rumours were only the opening shots in what will be a weekly occurrence, some suggested. The trend has been for realignments, new parities and moves to narrower bands all to occur after trading hours on a Friday. This would mean that every Friday until the currency is actually moved into the new band, rumours would support sterling.

"This is the first and I don't believe it," said Mr Nick Parsons of CIBC. "You will not see sterling join the narrow band this side of midsummer's day."

The UK currency ended the day in London 50 points higher at DM2.9175. This reflected both the strong underlying demand for sterling and the general weakness of the D-Mark.

The peseta suffered from the narrow band rumours, as the interest rate implications filtered through to the market. The Spanish currency weakened from Pta 62.54 to Pta 62.79 per D-Mark. The Spanish authorities refused to comment on the rumours.

The French franc took traders by surprise with a late rally leaving it at a 12 month high against the D-Mark. Most were hard-pressed to explain the rise, suggesting that D-Mark weakness was again to blame. However, others said the franc had gained some support from the promotion of former finance minister Pierre Bérégovoy to Prime Minister, and from France's record in dealing with inflation.

The dollar had another frustrating day, with markets muted ahead of the Easter holiday. US industrial production figures – which were virtually flat – had little effect.

The greater influence came from comments out of Tokyo that the US and Japan were ready to protect the yen if need be.

Dr Gerard Lyons, of DKB International argues that the focus is likely to switch to the yen in the next few weeks. Speculation over deals between Washington and Tokyo at the G7 meeting later this month could fuel more volatile movements in the Japanese currency.

The dollar ended the day in London a touch stronger against the yen from Y132.75 to Y133.45.

The fact that traders were reluctant to be short of dollars ahead of the long weekend helped the US currency ignore otherwise depressing factors.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Apr 15	% Change from Central Rate	% Spread vs Weakest Currency	Divergence Indicator
Spanish Peseta	133.631	128.649	–3.73	5.23	64
Portuguese Escudo	178.735	175.903	–1.58	2.93	25
Belgian Franc	42.4032	42.1721	–0.55	1.86	30
Dutch Guilder	2.31643	2.30773	–0.38	1.68	22
D-Mark	2.05586	2.04975	–0.30	1.60	23
Irish Punt	0.767417	0.768436	0.13	1.17	–3
Italian Lira	1538.24	1541.71	0.23	1.07	–8
French Franc	6.89509	6.93870	0.63	0.67	–31
Sterling	0.696904	0.702788	0.84	0.45	–18
Danish Krone	7.84195	7.94411	1.30	0.00	–56

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
Adjustment calculated by Financial Times.

£ IN NEW YORK

[illegible]

Forward premiums and discounts apply to the US dollar

STERLING INDEX

[illegible]

POUND SPOT - FORWARD AGAINST THE POUND

[illegible]

CURRENCY MOVEMENTS

[illegible]

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

[illegible]

CURRENCY RATES

[illegible]

EURO-CURRENCY INTEREST RATES

Apr 15	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
US Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Can. Dollar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dutch Guilder	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Swiss Franc	8½ - 8¼	8⅝ - 8⅜	8⅞ - 8⅝	8⅞ - 8⅝	[illegible]	8⅝ - 8½
D-Mark	9⅝ - 9½	9⅝ - 9½	9⅞ - 9¾	9⅞ - 9¾	[illegible]	9⅞ - 9¾
French Franc	10 - 9⅞	10 - 9⅞	10⅛ - 9⅞	10⅛ - 9⅞	[illegible]	10 - 9⅞
Italian Lira	12 - 10	12¼ - 11¾	12¼ - 11¾	12¼ - 11¾	[illegible]	12¼ - 12
Belgian Franc	9¼ - 9⅛	9⅜ - 9¼	9⅜ - 9¼	9⅜ - 9¼	[illegible]	9⅜ - 9¼
Yen	4⅞ - 4¾	4⅞ - 4¾	4¾ - 4⅝	4¾ - 4⅝	[illegible]	4¾ - 4⅝
Danish Krone	10¼ - 10	10¼ - 10	10¼ - 10	10¼ - 10	10¼ - 10	10¼ - 10
Asian $Sing	3¾ - 3½	3¾ - 3½	3¾ - 3½	3¾ - 3½	3⅞ - 3¾	3⅞ - 3¾
Spanish Peseta	12½ - 11⅞	12½ - 11⅞	12⅞ - 12⅝	12⅞ - 12⅝	12⅞ - 12⅝	12⅞ - 12⅝

Long term Eurodollars: two years 5½-5⅜ per cent; three years 6¼-6⅛ per cent; four years 6⅝-6½ per cent; five years 7⅛-6⅞ per cent nominal. Short term rates are call for US Dollars and Japanese Yen, others, two days' notice.

OTHER CURRENCIES

[illegible]

*Floating rate. Iran Official rate £117 05 567 05

EXCHANGE CROSS RATES

Apr.15	£	$	DM	Yen	F Fr.	S Fr.	N Fl.	Lira	C$	B Fr.	Ecu
£	1	1.756	2.920	234.3	9.873	2.695	3.285	2194.	2.078	59.85	1.423
$	0.569	1	1.663	133.4	5.622	1.535	1.871	1249	1.183	34.08	0.810
DM	0.342	0.601	1	80.24	3.381	0.923	1.125	751.4	0.712	20.50	0.487
YEN	4.268	7.495	12.46	1000.	42.14	11.50	14.02	9364	8.869	255.4	6.073
F Fr.	1.013	1.779	2.958	237.3	10.	2.730	3.327	2222	2.105	60.62	1.441
S Fr.	0.371	0.652	1.083	86.94	3.663	1	1.219	814.1	0.771	22.21	0.528
N Fl.	0.304	0.535	0.889	71.32	3.005	0.820	1	667.9	0.633	18.22	0.433
Lira	0.456	0.800	1.331	106.8	4.500	1.228	1.497	1000.	0.947	27.28	0.649
C$	0.481	0.845	1.405	112.8	4.751	1.297	1.581	1056	1	28.80	0.685
B Fr.	1.671	2.934	4.879	391.5	16.50	4.503	5.489	3666	3.472	100.	2.378
Ecu	0.703	1.234	2.052	164.7	6.938	1.894	2.309	1542	1.460	42.06	1

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100

FINANCIAL FUTURES AND OPTIONS

[illegible]

LONDON (LIFFE)

[illegible]

CHICAGO

[illegible]

PARIS

[illegible]

* Contracts traded on APT. Closing prices shown.

POUND - DOLLAR

FT FOREIGN EXCHANGE RATES

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.7560	1.7466	1.7290	1.7049	1.6662

BASE LENDING RATES

	%		%		%
Adam & Company	10.5	Crédit Lyonnais	10.5	McDonnell Douglas Bnk.	10.5
Allied Trust Bank	10.5	Cyprus Popular Bk	10.5	Midland Bank	10.5
AIB Bank	10.5	Duncan Lawrie	10.5	Mount Banking	10.5
● Henry Ansbacher	10.5	Equatorial Bank plc	10.5	NatWestminster	10.5
B & C Merchant Bank	10.5	Exeter Bank Limited	11	Northern Bank Ltd	10.5
Bank of Baroda	10.5	Financial & Gen. Bank	11	Nykredit Mortgage Bank	11
Banco Bilbao Vizcaya	10.5	First National Bank Plc.	14	Provincial Bank PLC	14
Bank of Cyprus	10.5	● Robert Fleming & Co.	10.5	Roxburghe Bank Ltd.	11.5
Bank of Ireland	10.5	Robert Fraser & Ptnrs.	11	Royal Bk of Scotland	10.5
Bank of India	10.5	Girobank	10.5	● Smith & Williamson Secs.	10.5
Bank of Scotland	10.5	● Guinness Mahon	10.5	Standard Chartered	10.5
Banque Belge Ltd	10.5	● Hambros Bank	10.5	TSB	10.5
Barclays Bank	10.5	Hampshire Trust Plc	13.5	Unibank plc	10.5
Benchmark Bank	11	Heritable & Gen Inv Bnk.	10.5	● United Bk of Kuwait	10.5
Brit Bk of Mid East	10.5	● Hill Samuel	10.5	Unity Trust Bank Plc	10.5
● Brown Shipley	10.5	C. Hoare & Co.	10.5	Western Trust	10.5
CL Bank Nederland	10.5	Hongkong & Shanghai	10.5	Westpac Bank Corp.	10.5
Citibank NA	10.5	Julian Hodge Bank	10.5	Whiteaway Laidlaw	10.5
City Merchants Bank	10.5	● Leopold Joseph & Sons	10.5	Yorkshire Bank	10.5
Clydesdale Bank	10.5	Lloyds Bank	10.5		
Co-operative Bank	10.5	Meghraj Bank Ltd	10.5		
Coutts & Co	10.5				

● Members of British Merchant Banking & Securities Houses Association.

MONEY MARKET FUNDS

Money Market Trust Funds

[illegible]

Money Market Bank Accounts

[illegible]

MONEY MARKETS

Easter tactics begin

EASTER was on everyone's minds yesterday as the players began the traditional strategic dealing before the four-day weekend.

The most distinctive feature was a lack of action in the money markets in the early morning, despite a forecast £1.05bn shortage.

Some analysts suggested that the resounding silence could have been due to a watch and wait syndrome. "They all sat back and waited to see what everyone else was going to do. Therefore nothing was offered," said Mr Nick Parsons of CIBC.

The two days before Easter are among the most important days of the money market year. This is when discount houses and clearing banks begin to try to manipulate the overnight rates ahead of the long weekend.

For example, yesterday players held back paper, Mr Parsons suggests, thus forcing up overnight rates. Today they will have more to offer and be able to eliminate the shortage early in the morning. This will bring overnight rates tumbling at just the point when players are seeking to fund their sterling books. Since today is the last trading day for four days, the books derive cheaper rates for longer periods.

Events in the market would appear to have supported this view. The Bank of England did not take up offers in the early round, if any were made, forcing the overnight rate as high as 11¼ per cent at one stage. However, just before lunch, the Bank eliminated the shortage in one fell swoop with a chunky £664m repo due on May 6 at 10$\frac{5}{16}$ per cent, and a £386m band one bank bill purchase at 10⅜ per cent. Overnight rates tumbled immediately to 9½ per cent.

Further out, money rates moved very little. The key three-month interbank rate eased slightly from 10½-⅜ per cent to 10⅜-$\frac{5}{16}$ per cent. One year money was steady at 10¼-⅛ per cent.

On the futures market, the June short sterling contract ended eight points higher at 89.88, implying an interest rate of 10.12 per cent in the medium term.

In Germany, call rates were a shade easier following the Bundesbank's DM300m injection, edging back from 9.60/70 to 9.60/65. In the US, the Federal Reserve added liquidity to the system as funds were trading at 4⅛ per cent. The presumed target is 3¾ per cent, while the average yesterday was 3.68 per cent.

UK clearing bank base lending rate 10.5 per cent from September 4, 1991

FT LONDON INTERBANK FIXING

(11.00 a.m. Apr.15) 3 months US dollars		6 months US Dollars	
bid 4	offer 4⅛	bid 4⅛	offer 4¼

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Lunchtime		Treasury Bills and Bonds			
Prime rate	6½	One month	3.57	Three year	5.68
Broker loan rate	5	Two month	3.51	Five year	6.63
Fed.funds	4⅛	Three month	3.71	Seven year	7.01
Fed.funds at intervention	-	Six month	3.85	10-year	7.35
		One year	4.12	30-year	7.88
		Two year	5.17		

Apr 15	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	9.55-9.60	9.60-9.70	9.60-9.70	9.60-9.70	9.55-9.65	9.75
Paris	9⅞-10	9⅞-9⅞	9⅞-10	9⅞-10	9⅞-10	9.60
Zurich	6⅞-7⅛	8⅝-8⅝	-	8⅝-8⅝	-	-
Amsterdam	-	-	-	-	-	-
Tokyo	4⅞-4⅞	4⅞-4⅞	-	4⅝-4⅞	-	-
Milan	12⅛-12⅛	12⅛-12⅛	-	12⅛-12⅛	-	-
Brussels	9.25-9.25	9.28-9.35	-	9.38-9.43	-	-
Dublin	10⅛-10⅛	10⅛-10⅛	10⅛-10⅛	10⅛-10⅛	10⅛-10⅛	-

LONDON MONEY RATES

Apr 15	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	11½	10⅜	10⅝	10½	10⅝	10¾
Interbank Bid	9	9¾	10⅜	10¼	10⅜	10½
Sterling CDs	–	–	10⅜	10⅜	10⅜	10⅜
Local Authority Deps	10⅞	10½	10⅞	10⅞	10⅜	10⅜
Local Authority Bonds	–	–	–	–	–	–
Discount Mkt Deps	11¼	10⅜	–	–	–	–
Company Deposits	–	–	10⅝	10⅝	10⅝	10⅝
Finance House Deposits	–	–	10⅝	10⅝	10⅝	10¾
Treasury Bills (Buy)	–	–	10⅛	9⅞	9⅞	–
Bank Bills (Buy)	–	–	10¼	10	9⅞	–
Fine Trade Bills (Buy)	–	–	–	–	–	–
Dollar CDs	–	–	4.05	4.10	4.20	4.47
SDR Linked Dep. Offer	–	–	6½	6⅝	6¾	6¾
SDR Linked Dep. Bid	–	–	6⅜	6½	6⅝	6⅝
ECU Linked Dep. Offer	–	–	9⅞	10⅛	10⅛	10⅛
ECU Linked Dep. Bid	–	–	9⅞	9⅞	10	10

Treasury Bills (sell): one-month 10⅛ per cent; three months 9⅞ per cent; six months 9⅞ per cent; Bank Bills (sell): one-month 10$\frac{3}{32}$ per cent, three months 9$\frac{15}{16}$ per cent; Treasury Bills; Average tender rate of discount 9.7668 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day March 31, 1992. Agreed rates for period Apr.26, 1992 to May 25, 1992, Scheme I 11.77 p.c., Schemes II & III: 11.84 p.c. Reference rate for period Feb 29, 1992 to March 31, 1992, Scheme IV&V: 10.643 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 11 from April 1, 1992: Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 7 per cent; one-three months 9½ per cent; three-six months 9 per cent; six-nine months 9 per cent, nine-twelve months 9 per cent; Under £100,000 7 per cent from Sept 5, 1991. Deposits withdrawn for cash 5 per cent.

EUROPEAN SMALLER COMPANIES FUND – SICAV
L-2132 Luxembourg / 8 Avenue Marie-Thérèse
R.C. Luxembourg No. B 20.093

Messrs. Shareholders are hereby convened to attend the Annual General Meeting which will be held on 28th April, 1992, at 03.00p.m., at the registered office, with the following agenda:

AGENDA

- Submission of the reports of the Board of Directors and of the Authorized Independent Auditor.
- Approval of the balance sheet and the profit and loss statement as at December 31st, 1991, and allocation of results.
- Discharge to the Directors in respect of carrying out of their duties during the fiscal year ended December 31st, 1991.
- Receipt of and action on nomination for election of the Directors for a new statutory term.
- Re-election of the Authorized Independent Auditor for a new term of one year.
- Miscellaneous

The shareholders are advised that no quorum for the items of the agenda is required and that the decisions will be taken at the majority of the shares present or represented at the Meeting. Each share is entitled to one vote. A shareholder may act at any Meeting by proxy.

By order of the Board of Directors

DAEWOO TELECOM

NOTICE
To the Holder of the outstanding
USD 50,000,000
3.5 per cent. Convertible Bonds Due 2006
(the "Bonds")
of
DAEWOO TELECOM LIMITED
(the "Company")

NOTICE IS HEREBY GIVEN to the holders of the bonds that the Stock Dividend of 3% was approved by a General Meeting of Shareholders held on 28th February 1992. Pursuant to the provisions of the Trust Deed constituting the Bonds the Conversion Price of the bonds has been adjusted as a result of the dividend in shares from Won 25,422 to Won 24,932 effective from 29th February 1992.

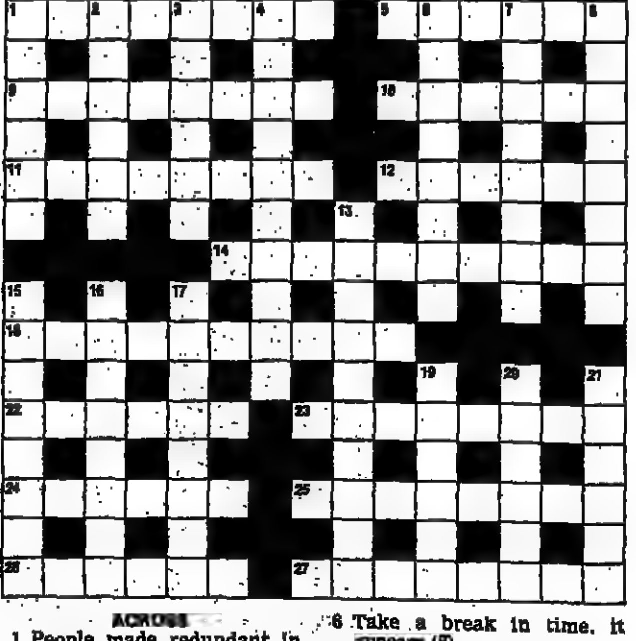
April 1992 — Daewoo Telecom Ltd.

The Chart Seminar
Presented by David Fuller - 24th year
London 27 & 28 April
Amsterdam 29 & 30 June
Details from: Chart Analysis Limited
7 Swallow Street, London W1R 7HD
Call Jane Farquharson
Tel: 071-439 4961
Fax: 071-439 4966

JOTTER PAD

CROSSWORD

No.7,826 Set by VIXEN



ACROSS

1 People made redundant in *competition?* (4,4)
5 Some fruit brightened up a Greek character (6)
9 *Scheme to study* an outstanding feature of the church (8)
10 Attack the man setting the rate (6)
11 Royalty receives the unknown luxury food he's compelled to produce (8)
12 The author of "Golden Spring" (6)
14 Freely praises the wrapping of favourite delicacies (10)
18 Those patronising him will be made the wiser for it! (4-6)
22 Cattle drives (6)
23 The case where care isn't exercised (8)
24 None declined; so it's thought (6)
25 If a line's altered don't carry on (8)
26 Access may be used by cheat in European official's office (6)
27 The principal returns (8)

DOWN

1 The fool given sound support (6)
2 Appealing about an English king (6)
3 A statement concerning drink (6)
4 Write letters to arrange match (10)
6 Take a break in time, it appears (8)
7 Points into the cupboard, being dense (5-3)
8 A guy aiming for perfection thought over the schedule (8)
13 Last words of a trooper in revolt (10)
15 A single outmoded means of defence is to be kept (4,4)
16 All-inclusive job for a cleaner (8)
17 Get too fiery about a man returning thanks (8)
19 Abuse from one in the business (6)
20 Everybody out to make a hit (6)
21 The least sweet sort of wine – it's red quite possibly (6)

Solution to Puzzle No.7,825

WORLD STOCK MARKETS

AUSTRIA

April 15	Sch	+ or –
Austrian Airlines	2,375	+35
Creditanstalt Pf	526	+6
EA General	3,570	+45
EVN	838	+7
Jungbunzlauer	14,000	+300
OeMV	906	+6
Perlmooser Zement	1,420	–220
Radex Heraklith	570	+10
Reininghaus Brau	1,690	+89
Steyr Daimler	228	+1
Veitscher Magnesit	353	+5
Verbund (Br) A	532	+8
Wienerberger	4,711	+111
Z-Laenderbank	955	–85

BELGIUM/LUXEMBOURG

April 15	Frs.	+ or –
ACEC-Union Min	2,220	...
AG Group	2,030	+35
Arbed	3,965	–75
BBL	3,400	...
Bank Intl a Lux	10,100	–1,900
Banq Gen Lux Pts	12,400	+150
Barco	1,200	+12
Bekaert	12,400	+25
CBR Ciment	8,110	+50
Cobepa	5,050	–30
Cobepa AFV 1	5,020	+65
Cockerill Priv	153	+1
Colruyt	4,680	–10
Delhaize Frs Lion	9,280	+70
Electrabel	4,885	+5
Electrabel AFV	4,880	+30
Electrafina ACT	2,520	...
GBL	3,200	+15
GBL AFV 1	3,115	–15

FRANCE (continued)

April 15	Frs.	+ or –
Bongrain	2,915	+15
Bouygues	629	+12
CGIP	1,232	+12
CM B Packaging	188.10	–2.40
Canal+	1,131	+16
Cap Gemini S	330	+3.70
Carrefour	2,670	–10
Casino	169.60	+1.10
Cetelem	828	+44
Chargeurs	1,155	+7
Club Mediterranee	535	+5
Cogifi	350.20	+0.10
Coparex	605	–45
CCF	187	+0.30
Cr Fonc France	990	–8
Cred Lyon (CI)	646	+9
Credit National	1,105	–5
Damart	2,870	+15
Docks de France	420	+2
Dollfus Mieg Cie	312	–1
EBF	882	–6
Eaux Cie Genl	2,325	+10
Ecco	464	+10
Elf-Aquitaine	380.30	+3.60
Elf-Aquitaine Certs	258	–3.50
Essilor Int	452	+23
Etex	2,010	+60
Eurafrance	1,561	–39
Eurocom	610	+14
Euro Disney	135	–4.50
Exor	1,443xd	...
Finextel	118.60	...
Fonc Lyonnaise	680	–5
From C et Anv	3,110	+10
GTM-Entrepose	400	+20
Gal. Lafayette	1,920	+30

INDICES

NEW YORK

DOW JONES	Apr 14	Apr 13	Apr 10	Apr 9	1992 HIGH	1992 LOW	Since compilation HIGH	Since compilation LOW
Industrials	3306.13	3269.90	3255.37	3224.96	3306.13 (14/4)	3172.41 (2/1)	3306.13 (14/4/92)	41.22 (2/7/32)
Home Bonds	99.68	99.44	99.29	99.05	99.81 (6/2)	98.41 (22/3)	99.81 (6/2/92)	54.99 (1/10/81)
Transport	1365.47	1337.26	1347.35	1338.56	1467.68 (22/2)	1361.57 (3/4)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	205.18	203.93	204.12	202.12	225.54 (2/1)	200.74 (8/4)	226.23 (2/1/90)	10.50 (8/4/32)

Day's High 3336.54 (3285.54) Low 3259.39 (3230.77)

STANDARD AND POOR'S

	Apr 14	Apr 13	Apr 10	Apr 9	1992 HIGH	1992 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	412.39	406.08	404.29	400.64	420.77 (15/1)	394.50 (8/4)	420.77 (15/1/92)	4.40 (1/6/32)
Industrials	491.73	484.13	482.02	477.54	499.27 (15/1)	470.91 (8/4)	499.27 (15/1/92)	3.62 (21/6/32)
Financial	34.36	33.75	33.56	33.37	35.24 (15/1)	32.43 (2/4)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	227.31	224.16	223.27	221.10	231.85 (15/1)	217.92 (8/4)	231.85 (15/1/92)	4.46 (25/4/42)
Amex Mkt. Value	392.14	388.29	388.01	385.94	418.99 (12/2)	380.90 (8/4)	418.99 (12/2/92)	29.31 (9/12/72)
NASDAQ Composite	594.81	588.15	584.24	586.75	644.92 (12/2)	573.68 (8/4)	644.92 (12/2/92)	54.87 (31/10/72)

	Apr 10	Apr 3	Mar 27	year ago (approx.)
Dow Industrial Div. Yield	2.85	2.85	2.86	3.45

	Apr 8	Apr 1	Mar 25	year ago (approx.)
S & P Industrial div. yield	2.70	2.64	2.62	2.88
S & P Indl P/E ratio	27.95	28.56	28.78	17.95

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Closing price	Change on day
IBM	3,317,100	88¼	+ ⅛
Ford Motor	3,266,800	41	+ ⅝
Texas Utilities	2,821,300	37½	- ⅜
Gen Motors	2,690,900	39⅝	+ ⅜
Amer T & T	2,640,000	42½	+ ⅛
Citicorp	2,211,700	16⅝	+ ⅛
Banc One	2,102,700	45⅝	- 1½
FST Data	2,069,300	23⅝	+ ⅝
Glaxo	2,038,700	28⅝	+ ⅛
RJR Nabisco	1,971,400	9⅝	+ ⅛

TRADING ACTIVITY

† Volume (Millions)	Apr 14	Apr 13	Apr 10
New York SE	232.058	143.635	199.450
Amex	18.928	15.073	14.290
NASDAQ	195.596	128.019	179.521
NYSE			
Issues Traded	2,234	2,235	2,222
Rises	1,229	966	1,201
Falls	516	784	523
Unchanged	489	485	498
New Highs	63	23	24
New Lows	11	18	24

CANADA

TORONTO	Apr 14	Apr 13	Apr 10	Apr 9	1992 HIGH	1992 LOW
Metals & Minerals	2920.66	2945.76	2979.15	2864.47	3238.87 (26/1)	2828.26 (8/4)
Composite	3412.60	3389.80	3375.64	3349.53	3666.30 (26/1)	3318.10 (8/4)
MONTREAL Portfolio	1792.57	1776.29	1764.66	1747.21	1937.59 (26/1)	1727.04 (8/4)

Base values of all indices are 100 except NYSE All Common – 50; Standard and Poor's – 10; and Toronto Composite and Metals – 1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

WORLD						
M.S. Capital Intl.(1/1/70) (5)	493.5*	488.4	482.6	484.1	542.10 (7/1)	467.50 (8/4)
Euro Top-100 (26/6/90)	944.06	934.30	928.77	929.91	944.06 (15/4)	879.71 (2/1)

**Saturday April 11. Taiwan Weighted Price, 4487.62; Korea Comp Ex 576.11. ‡ Subject to official recalculation. *Calculated at 15.00 GMT. Base values of all indices are 100 except: Austria Traded, BEL20, HEX Gen., MIB Gen., Euro Top-100, ISEQ Overall and DAX – 1,000; JSE Gold – 255.7; JSE 26 Industrials – 264.3 and Australia All Ordinary and Mining – 500. (c) Closed. (u) Unavailable. † Correction.

TOKYO - Most Active Stocks
Wednesday 15 April 1992

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Hitachi	9.3m	831	+16	Suzuki Motor	5.0m	710	-7
Toshiba	7.1m	620	+22	Canon	5.0m	1,350	+40
TEAC	6.7m	1,030	-10	Nippon Carbon	4.9m	711	+60
Fujitsu	6.3m	708	-28	NEC	4.6m	1,040	+46
Nomura Sec	5.3m	1,340	+80	Citizen Watch	4.3m	869	+36

On Business in Turkey ?

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BUSINESS CLASS

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

3:00 pm prices April 15

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1992 High	1992 Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
15⅞	12¾	AAR Corp	0.48	3.4	17	145	14	13⅞	14	+⅛
26	20⅝	A L Labs A	0.18	0.8	109	246	23⅛	22½	23	+½
68¾	56	AMP Inc	1.52	2.5	24	1371	60¾	59⅞	60⅝	+⅞
80¼	67⅛	AMR			247	185	71⅞	69⅞	71⅛	+1⅛
2⅜	1⅜	ARX			2	144	2⅛	2⅛	2⅛	
53½	43⅛	ASA	2.75	6.6	12	584	43⅞	d41⅛	41½	−2⅛
68⅞	58¾	Abbott Lab	1.20	1.8	25	5806	67¾	66	66¼	−1
13⅞	12⅛	Abitibi Pr	0.43	3.5	12	30	12⅜	12⅜	12⅜	−⅛
11⅝	10⅛	ACM Gvt In	0.96	9.4		437	10⅛	10⅛	10⅛	
10⅜	9⅛	ACM GvOpp	0.80	8.6		96	9⅜	9¼	9¼	
9½	8½	ACM Gvt Sb	0.80	9.4		484	8⅝	d8½	8½	
11¼	10⅛	ACM Gvt Se	0.98	9.4		511	10⅜	10¼	10¼	−⅛
9⅞	8⅝	ACM Man	0.95	10.4		474	9⅛	8⅞	9⅛	+⅛
12⅞	10⅜	ACM Mguge	1.08	10.0		86	11	d10⅞	10¾	
11¼	7	Acme Cleve	0.40	4.6	16	74	8⅝	8½	8⅝	+⅛
6¼	4½	Acme Elect			4	6	5⅜	5⅝	5⅜	
33¾	18⅞	Acuson			13	522	21⅜	20⅞	20⅞	−⅛
19½	16⅛	Adams Expr	0.46	2.6	0	46	18⅛	18⅜	18⅛	+⅛
15½	13	Adobe12Pf	2.40	17.0		10	14⅜	14⅜	14⅛	
5⅛	4½	Adobe Res			2	34	5⅛	5⅛	5⅛	+⅛
49⅛	40½	Ad Micro	3.00	7.1		274	42½	42¼	42¼	−⅛
21½	16⅞	Ad Micro P	3.00	17.4		76884	17⅝	17⅛	17¼	−⅛
9⅛	5	Advest Grp	0.16	2.2	29	173	7¼	7	7⅛	+⅛
71⅜	67⅛	Aegon ADR	1.50	2.2	6	3	68½	68¼	68¼	+½
47	39	Aetna Lf	2.76	6.4	92	176	43¼	43⅛	43¼	−⅛
12	8⅜	Ahh A	0.24	2.3	10	249	10⅜	10¼	10¼	−⅛
32⅞	24⅛	Aflac	0.40	1.5	14	1044	27⅞	27¼	27⅛	−⅜
19⅜	15⅛	Ahmanson	0.88	5.2	6	995	16⅞	16⅜	16⅞	
22½	15	Aileen Inc			14	43	17⅜	17	17	−⅛

- B -

- C -

- D -

- E -

- F -

- G -

- H -

- I -

- J -

- K -

- L -

- M -

- N -

- O -

- P - Q -

- R -

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Continued on next page

NYSE COMPOSITE PRICES

Continued from previous page

- X - Y - Z -

82¾	68½	Xerox	3.00	4.0	19	1014	75⅛	74¼	74⅞	
53½	50½	Xerox4.125				2	52	52	52½	+½
28½	24⅞	Xtra 1.94	1.94	7.0		8	27½	27½	27½	+½
37	28½	Xtra Corp	0.80	2.3	14	47	34⅞	34½	34⅞	+⅜
27	25¼	Yankee Egy	1.60	6.0	12	21	26⅞	26½	26⅝	
1½	½	Zapata			26	386	1⅛	1⅛	1⅛	
11⅛	7⅛	ZenithElec			4	474	8⅝	8¼	8¼	−⅛
17⅛	14½	Zenith Nat	1.00	6.3	6	156	15⅞	15⅞	15⅞	
8⅞	8	Zenix Inc	0.85	12.6		112	u8⅞	6¾	6¾	−⅛
13⅞	11⅛	Zero Corp	0.40	3.3	18	40	12	11⅞	12	
38	32⅞	Zurn Ind	0.88	2.5	15	203	35⅛	34⅝	35⅛	+⅜
14⅛	12¾	Zweig Fund x	1.16	8.8		338	13¼	13	13⅛	+⅛
11	9⅞	Zweig Tot x	1.00	9.6		494	10⅝	10½	10½	

Price data supplied by Telekurs.

Yearly highs and lows reflect the period from Jan 1, excluding the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration. Sales figures are unofficial.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

3:00 pm prices April 15

NASDAQ NATIONAL MARKET

3:00 pm prices April 15

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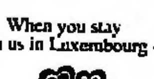

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FINANCIAL TIMES

AMERICA

Dow rises to new peak on quarterly reports

Wall Street

US MARKETS rose to new highs yesterday morning following further quarterly reports which indicated that business conditions are improving, *writes Patrick Harverson in New York.*

By 1 pm the Dow Jones Industrial Average was up 32.19 at 3,338.32, on its way to a new closing high. The more broadly based Standard & Poor's 500 was also firmer at midsession, up 2.64 at 415.03, while the Nasdaq composite index of over-the-counter stocks rose 5.15 to 599.96. Turnover on the NYSE was 134m shares by 1 pm.

As on Tuesday, positive company earnings reports provided the momentum for solid gains across the board as investors purchased shares in anticipation of a big improvement in corporate profitability over the coming quarters.

Investors did not only favour cyclical stocks which are most likely to benefit from the economic upswing, but also spread their buying across a range of sectors.

The market has also been underpinned by hopes of further monetary easing by the Federal Reserve. The Fed cut its fed funds rate last week, raising expectations that a more positive step, most likely a reduction in the discount rate, may soon follow.

Among individual stocks, AMR, parent group of American Airlines, rose $2 to $71⅞ after reporting first quarter net income of $20m, a substantial turnaround from the $195m loss incurred at the same stage a year ago.

AMR also said that bookings have risen 46 per cent since a new, simplified fare structure was introduced by the airline last week.

A variety of stocks all moved in response to earnings reports. Among them were: Merck, down $2 at $153¼ on disappointing net income of $1.47 a share; Upjohn, up $⅛ at $37 on news of a slight increase in earnings; CBS, up $6 at $184 on a return to profitability; and Sprint, up $1⅜ at $23⅛ in turnover of 1.4m shares following the announcement of a big increase in first quarter profits.

Caterpillar jumped $4⅛ to $53⅝ on the news that the United Auto Workers Union had told striking workers at the company to go back to work. At least one broking house, Wertheim Schroder, raised its rating on Caterpillar because of the end of the strike.

Several stocks continued to draw strength from Tuesday's earnings announcements, including Goodyear, up $3¼ at $74⅝, International Paper, up $2¼ at $74⅝, General Electric, up $1 at $77¾, and Alcoa, $2½ higher at $73¼.

On the over-the-counter market Microsoft jumped $11½ to $128½ in turnover of 3.5m shares after a federal judge threw out most of Apple Computer's arguments that Microsoft and Hewlett-Packard had breached copyright on certain characteristics of Apple's Macintosh computer. The news persuaded two broking houses, Lehman Brothers and Merrill Lynch, to raise their ratings on Microsoft.

Centocor slumped $12¼ to $19 in turnover of 12.8m shares on the news that the Food and Drug Administration has said that it had not seen sufficient evidence to approve the company's drug for the treatment of septic shock after surgery.

Canada

TORONTO remained unmoved by a stronger Wall Street. At midsession the TSE 300 was up 1.4 to 3,414.0. Advances led declines by 224 to 179 in volume of 24.3m shares valued at C$237.8m.

The gold sector fell 136.5 or 3 per cent to 4,395.97. The June gold contract on the Comex fell to a low of $336.30 before rising slightly.

Morgan Hydro rose 10 cents to C$4¼ on volume of 8.86m shares after Goepel Shields crossed blocks of 8.85m shares.

Also among most active shares, Provigo eased C$¼ to C$8, Alcan rose C$¼ to C$24 and Rogers Communications class B firmed C$½ to C$13⅜.

EUROPE

CAC-40 nears 2,000 in active trading

BOURSES closed mostly firmer in the run-up to Easter, *writes Our Markets Staff.*

PARIS approached 2,000 on the CAC-40 index in active trading, buoyed up Wall Street's record close overnight. The index went as high as 1,995.39 before closing up 18.38 at 1,990.69. Volume was heavy at FFr4bn, but Perrier and Exor accounted for just over FFr1bn.

Positive 1991 results pushed up several stocks. The builder GTM-Entrepose rose FFr22 to FFr402 after announcing a 50 per cent rise in net attributable profit last year, while L'Oréal added FFr20 to FFr865 after its pleasing 1991 figures. Dealers said that the shares in the beauty products company were starting to look expensive.

Euro Disney continued to fall, closing down FFr3.20 or 2.3 per cent at FFr136.30 while Eurotunnel weakened for a second day in heavy trading on fears that it might announce a rights issue when it publishes its results on April 24. The stock went as low as FFr36 before closing down 55 centimes at FFr37.40 with 2.9m shares traded, its lowest close this year.

FRANKFURT took comfort from some encouraging economic data. The DAX index rose 10.96 to 1,743.49 while the FAZ index, calculated at midsession, gained 1.97 to 709.09. Turnover rose to DM5.6bn from DM4.4bn.

Before the market opened the Bundesbank reported an improvement in the annual rate of inflation, down to 3.5 per cent from about 4 per cent. Further positive news came later in the day with a return to surplus in February of the west German trade balance, after a deficit the previous month.

The market seems to have discounted the threat of a public sector pay dispute, with analysts noting that the difference between the two sides is small. However, Bonn has said that the increase sought by the unions could cost DM15bn.

There was little corporate news to excite the market. Daimler and Siemens continued to advance on positive reports earlier in the week. Daimler rose DM6 to DM787.50, while Siemens advanced DM4.10 to DM688.30.

Car stocks were generally positive after Tuesday's news of an improvement in first quarter sales. BMW was DM4 ahead at DM586.50 and Volkswagen up DM3.20 at DM373.90.

In the construction sector Hochtief advanced DM7 to DM1,317. Analysts have put out some encouraging reports recently on the sector, with Kleinwort Benson forecasting that output in east Germany could grow by 17 per cent in 1992, after 5 per cent in 1991. Holzmann gained DM9 to DM1,193.

MILAN closed slightly firmer in technical trading at the close of the April trading account. Dealers said the session started 10 minutes late as traders wanting to carry over their short positions into the new account had difficulty in borrowing stock for end-account purposes. The Comit index rose 0.38 to 499.54 in turnover estimated at L100bn after L87.7bn.

The overhang of short positions in Sip prompted some traders to attempt a "bear squeeze" by pushing up the share price. Sip ended L31.50 or 2.2 per cent higher at L1,489.5.

Fiat gained L30 to L4,755 while Pirelli rose L44 or 3.6 per cent to L1,270 on London buying.

Cir, the holding company of Mr Carlo De Benedetti's group, fell L19 or 1.2 per cent to L1,526. The court verdict on Mr De Benedetti for his alleged involvement in the fraudulent bankruptcy of Banco Ambrosiano in 1982 is expected today.

ZURICH advanced strongly. The SMI index rose 20.3 or 1.10 per cent to 1,874.1, just off a 1992 intraday high of 1,874.3, lifted by today's expiry of share options and futures.

Georg Fischer bearers advanced SFr45 to SFr1,010 following Tuesday's announcement on strong earnings growth this year.

Roche certificates gained SFr30 to SFr3,180, and Ciba-Geigy registered shares, added SFr60 to SFr3,520.

AMSTERDAM saw a good performance from publishers. The CBS Tendency index closed up 0.9 at 126.4.

Wolters Kluwer, which held its annual meeting, added Fl 1.40 to Fl 74 and Elsevier gained Fl 1.30 to Fl 116.80.

Elsewhere, DSM rose Fl 2.20 to Fl 110 on better-than-expected first quarter earnings estimates.

STOCKHOLM was lifted by Wall Street and a decline in domestic interest rates. The Affärsvärlden general index rose 10.2 to 984.3 as turnover rose to SKr570m from SKr390m. The forestry sector index gained 2.2 per cent.

MADRID gained ground. The general index rose 2.83 to 252 in turnover estimated at Pta12bn.

Telefónica put on Pta15 to Pta1,100 in spite of a breakdown in pension fund negotiations with the unions.

OSLO jumped 1.9 per cent, helped by rises on foreign stock markets. The all-share index rose 7.77 to 420.18 in turnover worth NKr180m.

FT-SE Eurotrack 100 - Apr 15

Hourly changes

Open	10 am	11 am	12 pm	1 pm	2 pm	3 pm	close
1165.59	1165.80	1165.63	1165.26	1166.24	1167.21	1167.50	1167.06

Day's High 1167.76 Day's Low 1165.26

Apr 14	Apr 13	Apr 10	Apr 9	Apr 8
1157.52	1153.23	1155.74	1140.98	1143.45

Base value 1000 (26/10/90).

Shopping around in a global retailing sector

John Thornhill on investors who are increasingly seeing signs of new life in pan-European retailers

INVESTING IN European retailing stocks has primarily been determined by national considerations with investors backing companies in countries where economic growth and consumer spending promise to be the most buoyant.

The German retail sector has been a prime example of the phenomenon as investors bid up retail stocks to take advantage of the strong consumer sales and growth opportunities created by unification.

The German stores sector was lifted to a rating of 30 times earnings in 1990 but has since slipped back to 17 times in 1992 as the Bundesbank applied a squeeze on interest rates to get inflation back under control.

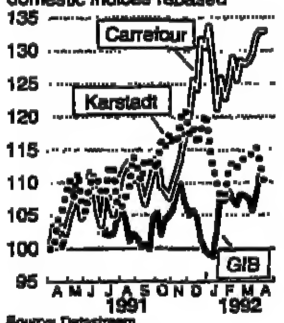
The retail component of stock markets in several other European countries has also fallen back as consumer spending expectations for 1992 have remained generally bleak. But there appears to be a growing belief that consumer spending should pick up markedly in the second half of this year and many retail stocks are twitching back to life.

However, as retailers slowly internationalise their businesses, such simple national economic determinants are becoming increasingly obsolete. Many of the bigger European retailers have invested heavily outside their domestic markets, broadening their exposure to growth in other countries and continents.

For example, many French food retailers have sought to escape the constraints of their dire home market by investing abroad. Carrefour now derives 40 per cent of profits from hypermarket operations in Spain, Argentina, Brazil, the US and Taiwan, while Promodès made 45 per cent of its profits in 1990 from stores in Italy, Portugal, Spain and the US.

European retailers

Share prices relative to their domestic indices rebased



Source: Datastream

A study by UBS Phillips & Drew, the London-based stockbroker, found that 22 of the 37 big quoted continental European retailers had some foreign earnings – almost 18 per cent of their profits outside their domestic markets.

Although this international exposure is considerably less than in most other industrial sectors, some individual retailers, such as Delhaize Le Lion of Belgium, and Ahold of the Netherlands, now derive more than half their income from their stores in the US.

At an international retailing conference held by Goldman Sachs at the start of April, Mr Tom Smith, chief executive officer of the successful Food Lion grocery chain, which is partly owned by Delhaize, outlined an ambitious expansion strategy, promising to open 125 stores this year.

Food Lion's rapid expansion has largely been responsible for Delhaize's profits growth, which has been constrained in Belgium by the mature retailing market and restrictive planning laws.

Partly as a result of these developments, many investors, particularly the American and Japanese fund managers, are already viewing retailing stocks on a pan-European basis. And as the single market develops and national economies converge, there will increasingly be a case for investing in individual retailing stocks rather than national sectors.

UBS Phillips & Drew believes that two groups of European retailing stocks offer attractive prospects: German retailers, which will benefit from the upsurge of consumer spending in the eastern Länder; and the geographically diversified retailers, such as Carrefour, Promodès, Delhaize and Ahold, which are well positioned to sustain good international profits growth in spite of saturated home markets.

ASIA PACIFIC

Tokyo gains on buying by investment trusts

Tokyo

INVESTORS were encouraged by Tuesday's advance on Wall Street, and share prices extended gains, briefly rising above the 18,000 level, *writes Emiko Terazono in Tokyo.*

The Nikkei average rose 508.43 to 17,948.01. After opening at the day's low of 17,492.47, the index gained on large-lot orders by leading Japanese brokers. The index advanced to the day's high of 18,041.45, recovering the 18,000 mark for the first time in seven trading days.

Volume increased to 350m shares from 250m. Investment trusts and dealers were main buyers, while pension funds also placed orders at lower levels. Foreigners were seen buying in small lots.

Advances led declines by 956 to 100, with 71 issues remaining unchanged. The Topix index of all first section shares moved up 33.19 to 1,321.99. In London, the ISE/Nikkei 50 index rose 1.27 to 1075.22.

The overnight rise of the Nikkei futures in Chicago also prompted buying in the futures market. Mr Nick Cant at Baring Securities said the rise, in spite of the lack of fresh news, was encouraging. He added that domestic institutions' purchases of high-technology stocks supported sentiment.

Large orders were placed in the electronics sector, where stocks rose on active trading. Hitachi, the most active issue of the day, rose Y16 to Y831 and Sony added Y190 to Y4,300.

Machinery issues, potential beneficiaries of the government's promotion of labour-saving measures, gained ground. Amada rose Y60 to Y1,1170 and Takuma added Y31 to Y911.

Speculative favourites were sought by short-term players. Nippon Carbon continued its rise, gaining Y60 to Y711, and Citizen Watch rose Y36 to Y869.

Bank shares were higher: Industrial Bank of Japan rose Y110 to Y1,820 and Mitsubishi Bank advanced Y70 to Y1,820.

Aids-related issues fell on profit-taking, with Okamoto Industries down Y20 to Y1,160 and Mochida Pharmaceutical easing Y60 to Y2,990. Teac, an electronics maker, which has been promoted by Japanese brokers recently on the "US recovery theme", lost Y10 to Y1,030.

Sega Enterprises, the video game maker, lost Y490 to Y8,350. The issue has fallen 16 per cent over the past three days, on an alleged patent infringement.

In Osaka, the OSE average surged 517.44 to 19,861.74 with 24.5m shares traded. Foreigners and domestic institutions sought high-technology issues, but pharmaceuticals were depressed on profit-taking. Nintendo rose Y120 to Y9,620, while Ono Pharmaceutical lost Y80 to Y6,200.

Roundup

THE overnight gains on Wall Street and Tokyo lifted most of the markets in the Pacific Rim.

HONG KONG advanced strongly following the announcement on Tuesday of HSBC's merger terms with Midland Bank of the UK. The Hang Seng index was 102.58 stronger at 4,986.11 in turnover of HK$2.37bn.

HSBC rose HK$1 to HK$40.25, while Hang Seng Bank gained HK$2.50 or 6.8 per cent to HK$39.00. Property stocks were also higher, as Cheung Kong rose 50 cents to HK$20.90.

SINGAPORE remained dull. The Straits Times Industrial index gained 17 to 1,394.32 in volume of 31.7m.

Malayan Credit, which is facing a takeover by a local car distributor, lost 1 cent to S$2.16.

SEOUL rose in the afternoon session on rumours that the Market Stabilisation Fund could be extended. The composite index rose 2.55 to 578.11, having earlier reached an intraday high of 584.74. Turnover was Won253.9bn after Won252.8bn.

TAIWAN reversed early gains. The weighted index fell 22.32 to 4,439.66 in turnover of T$15bn from T$17.5bn.

MANILA was stronger. The composite index rose 21.56 to 1,170.80 in turnover of 135m pesos.

KUALA LUMPUR moved ahead in quiet trade. The composite index gained 3.68 to 568.19 in volume of 23.4m shares.

AUSTRALIA was boosted by a survey showing that consumer confidence was improving. The All Ordinaries index closed up 15 at 1,580.6 in turnover of A$219.3m.

News Corp closed up 82 cents at A$18.92 and BHP was 20 cents firmer at A$13.60.

SOUTH AFRICA

JOHANNESBURG showed little improvement although mining stocks featured strongly. The overall index rose 6 to 3,361, the gold index gained 1 to 1,043 but industrials fell 3 to 4,183. Anglos rose 75 cents to R111.75.

"SELL IN MAY AND GO AWAY..." SHOULD INVESTORS NOW FOLLOW CONVENTIONAL WISDOM?

After the uncertainty of the last few weeks, it's time to take a strategic view of equity investments. Finance and the Family considers the options.

IN THIS SATURDAY'S

Weekend FT

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	TUESDAY APRIL 14 1992								MONDAY APRIL 13 1992					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1992 High	1992 Low	Year ago (approx)
Australia (69)	143.87	+0.4	120.41	120.73	123.01	124.64	−0.2	4.43	143.35	120.65	120.74	123.31	124.85	153.58	140.94	137.77
Austria (19)	166.25	+0.6	139.14	139.51	142.14	142.19	+0.4	2.04	165.29	139.11	139.22	142.18	141.67	186.70	162.62	213.04
Belgium (46)	137.38	+1.1	114.98	115.28	117.46	114.68	+0.5	5.29	135.87	114.35	114.43	116.87	114.09	145.19	135.87	143.16
Canada (115)	129.95	+1.0	108.75	109.04	111.09	111.17	+0.6	3.31	128.63	108.27	108.34	110.64	110.52	142.12	125.75	140.09
Denmark (35)	231.61	+0.6	193.84	194.36	198.02	201.06	+0.4	1.84	230.30	193.84	193.98	198.10	200.31	273.94	226.81	244.28
Finland (15)	74.63	+0.1	62.46	62.63	63.81	70.35	+0.2	2.07	74.56	62.75	62.80	64.13	70.23	89.80	73.64	124.03
France (106)	156.26	+1.0	130.78	131.11	133.59	136.53	+0.4	3.38	154.72	130.22	130.31	133.08	135.97	159.16	148.06	141.12
Germany (65)	119.29	+0.6	99.83	100.11	101.98	101.98	+0.0	2.26	118.52	99.75	99.84	101.94	101.94	122.84	114.67	113.80
Hong Kong (55)	203.18	+0.0	170.05	170.50	173.72	201.63	+0.0	4.01	203.17	171.00	171.12	174.76	201.70	210.86	176.36	152.07
Ireland (16)	158.43	+0.1	132.60	132.95	135.46	137.76	−0.2	3.74	158.31	133.24	133.34	136.17	137.99	173.71	151.78	166.72
Italy (78)	70.17	+0.5	58.72	58.88	59.99	64.81	−0.2	3.56	69.79	58.74	58.78	60.03	64.92	80.86	68.92	81.72
Japan (473)	95.73	+2.1	80.12	80.33	81.86	80.33	+1.7	1.06	93.74	78.90	78.95	80.64	78.95	140.95	88.70	145.45
Malaysia (68)	*228.85*	*−0.4*	*191.53*	*192.03*	*195.66*	*224.56*	*−0.5*	*2.67*	*229.88*	*193.48*	*193.62*	*197.73*	*225.76*	*250.18*	*212.49*	*235.10*
Mexico (18)	1676.89	+0.2	1403.41	1407.14	1433.89	5616.24	+0.2	1.07	1672.83	1407.96	1409.01	1438.92	5606.74	1789.77	1376.91	861.42
Netherland (25)	152.66	+0.8	127.77	128.10	130.53	129.01	+0.2	4.31	151.45	127.47	127.57	130.28	128.78	156.48	147.88	143.58
New Zealand (14)	43.02	+0.3	36.00	36.10	36.78	41.85	+0.1	6.58	42.91	36.11	36.14	36.91	41.79	48.52	42.01	48.96
Norway (23)	167.25	+1.6	139.97	140.34	142.99	146.36	+1.4	1.75	164.67	138.60	138.70	141.65	144.33	192.95	161.26	196.52
Singapore (38)	197.91	+0.3	165.63	166.07	169.20	150.85	+0.2	2.18	197.23	166.00	166.12	169.65	150.60	226.43	192.76	197.64
South Africa (61)	224.55	−1.3	187.93	188.42	191.98	167.80	−0.8	3.00	227.56	191.53	191.67	195.73	169.18	263.60	203.16	203.22
Spain (50)	*149.52*	*+1.0*	*125.13*	*125.47*	*127.83*	*116.61*	*+0.6*	*5.16*	*148.10*	*124.65*	*124.75*	*127.39*	*115.90*	*160.47*	*146.86*	*163.92*
Sweden (25)	183.40	+1.0	153.49	153.90	156.81	161.41	+0.7	2.80	181.62	152.87	152.98	156.23	160.25	190.37	173.09	188.11
Switzerland (60)	99.10	+1.8	82.94	83.17	84.74	92.93	+1.0	2.30	97.33	81.92	81.99	83.73	92.05	104.22	95.99	95.88
United Kingdom (228)	184.14	+1.0	154.11	154.51	157.42	154.11	+0.4	4.84	182.29	153.43	153.53	156.79	153.43	186.29	165.85	181.24
USA (523)	167.99	+1.6	140.59	140.97	143.63	167.99	+1.6	2.94	165.42	139.23	139.34	142.30	165.42	171.66	160.92	157.07
Europe (791)	146.80	+1.0	122.86	123.19	125.52	125.08	+0.4	3.92	145.41	122.39	122.48	125.08	124.62	150.58	139.31	144.81
Nordic (98)	171.58	+0.8	143.60	143.98	146.70	144.77	+0.6	2.24	170.15	143.21	143.32	146.36	143.86	188.52	169.66	183.71
Pacific Basin (717)	101.12	+1.8	*84.63*	*84.65*	*86.45*	*85.33*	*+1.5*	*1.48*	*99.29*	*83.57*	*83.63*	*85.41*	*84.09*	*141.97*	*94.40*	*144.99*
Euro – Pacific (1508)	119.56	+1.4	100.08	100.34	102.23	101.72	+0.9	2.67	117.92	99.25	99.32	101.43	100.77	145.21	113.80	145.27
North America (638)	165.59	+1.5	138.59	138.97	141.60	164.13	+1.5	2.95	163.10	137.28	137.40	140.32	161.69	169.69	158.70	155.94
Europe Ex. UK (563)	124.40	+0.9	104.11	104.41	106.38	108.26	+0.3	3.24	123.28	103.76	103.85	106.06	107.91	129.79	121.81	122.81
Pacific Ex. Japan (244)	154.15	+0.1	129.01	129.37	131.81	136.58	−0.1	3.99	153.95	129.58	129.69	132.44	136.75	158.33	149.00	138.61
World Ex. US (1702)	122.12	+1.3	102.20	102.48	104.41	104.04	+0.9	2.68	120.53	101.44	101.53	103.68	103.14	146.91	116.45	146.09
World Ex. UK (1997)	132.19	+1.5	110.63	110.93	113.03	120.68	+1.2	2.52	130.27	109.65	109.73	112.07	119.19	150.58	127.21	145.52
World Ex. So. Af. (2164)	*136.10*	*+1.5*	*113.90*	*114.22*	*116.37*	*123.40*	*+1.2*	*2.79*	*134.15*	*112.91*	*113.01*	*115.40*	*121.96*	*153.05*	*130.04*	*148.36*
World Ex. Japan (1752)	159.50	+1.2	133.49	133.86	136.39	148.78	+1.0	3.33	157.62	132.66	132.78	135.60	147.35	161.90	153.20	151.84
The World Index (2225)	136.87	+1.4	114.38	114.69	116.86	123.80	+1.2	2.79	134.76	113.42	113.51	115.92	122.38	153.70	130.66	148.69

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